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THE ASSOCIATION OF LITIGATION FUNDERS OF AUSTRALIA LIMITED

CONSTITUTION

1. NAME OF THE COMPANY

The name of the Company is The Association of Litigation Funders of Australia Limited.

2. COMPANY STRUCTURE

2.1. Type of Company

The Company is a not-for-profit public company limited by guarantee.

2.2. Limited liability of Members

The liability of Members is to the amount of the guarantee in clause 2.4.

2.3. The Guarantee

Subject to this Constitution, each person who is a Member and each person who was a Member within 12 months of the day of the commencement of the winding up of the Company, undertakes to contribute to the property of the Company for:

- (a) debts and liabilities of the Company incurred before their Membership ceased; or
- (b) costs, charges and expenses of winding up.

2.4. The Guarantee amount

The amount that each Member or past Member is liable to contribute is limited to \$10.

3. DEFINITIONS AND INTERPRETATION

3.1. Definitions

- (a) **Academic** means a teacher or scholar in a university or other institute of higher education;
- (b) **Annual General Meeting** means the Annual General Meeting of the Company conducted every financial year in accordance with clause 6.3 and the Corporation Act 2001 (Cth);
- (c) **Annual Subscription** means the fees payable by the Members under clause 16 of this Constitution;
- (d) **Applicant** means a person who applies for Membership pursuant to clauses 5.2 and 5.3;
- (e) **Associate Member** means a body corporate or government entity that has an interest in the Australian litigation funding market who qualifies and is accepted for membership under clause 5 of this Constitution;
- (f) **Board of Directors** means the Board of Directors of the Company;
- (g) **Company** means the Company referred to in clause 1;
- (h) **Constitution** means this Constitution of the Company;

- (i) **Corporations Act** means the Corporations Act 2001 (Cth);
- (j) **Date of Membership** means the day the Member was entered onto the Register of Members and his or her Membership was effected;
- (k) **Date of Termination** means the day the Member's details were removed from the Register of Members and his or her Membership was terminated;
- (l) **Director/s** means a director, or the directors of the Company on the Board of Directors;
- (m) **Elected Chairperson** means the person elected by the directors as the chairperson of the Company under clause 6.4(a);
- (n) **Full Member** means a Funder or Manager who qualifies and is accepted for membership under clause 5 of this Constitution.
- (o) **Funder/s** means a Member, or Members, who in their ordinary course, provide litigation funding to plaintiffs, law firms and corporations for legal disputes in Australia;
- (p) **General Meeting** means a meeting of Members called by the Board of Directors under clause 6.1, or by Members under clause 6.2;
- (q) **Honorary Member** means an Academic individual or body corporate who qualifies and is accepted for membership under clause 5 of this Constitution.
- (r) **Initial Director** means
 - (i) Stuart Robertson Price;
 - (ii) John Francis Walker; and
 - (iii) Kim Alicia May.
- (s) **Initial Members** means:
 - (i) Litigation Lending Services Limited ACN 129 188 825; and
 - (ii) Investor Claim Partner Pty Ltd ACN 611 462 027.
- (t) **Insolvency Event** means the occurrence of any one or more of the following events in relation to any Member or Director:
 - (i) an application is made to a court for an order that it be wound up, declared bankrupt or that a provisional liquidator or receiver or receiver and manager be appointed unless the application is withdrawn, struck out or dismissed within 14 days of being made;
 - (ii) an liquidator or provisional liquidator is appointed;
 - (iii) an administrator or a controller is appointed to any of its assets;
 - (iv) it enters into an agreement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors;

- (v) it proposes a reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors, or its winding up or dissolution;
 - (vi) it is insolvent as disclosed in its accounts or otherwise, states that it is insolvent or it is presumed insolvent under an applicable law;
 - (vii) it becomes an insolvent under administration as defined in section 9 of the Corporations Act or action is taken which would result in that event;
 - (viii) it is taken to have failed to comply with a statutory demand at the end of a relevant period as a result of section 459F(1) of the Corporations Act;
 - (ix) a notice is issued under sections 601AA or 601AB of the Corporations Act;
 - (x) a writ of execution is levied against it or its property; or
 - (xi) anything occurs under the law of any jurisdiction which has a substantially similar effect to any of the above paragraphs of this definition;
- (u) **Manager/s** means a Member, or Members, who in their ordinary course, manage litigation financed by a litigation funder in Australia;
 - (v) **Member/s** means an Honorary Member, a Full Member and an Associate Member of the Company pursuant to clause 5 (and Membership has the corresponding meaning);
 - (w) **Objects** means the objects of the Company set out in clause 4.1;
 - (x) **Register of Members** means the Register of Members of the Company to be kept pursuant to the Corporations Act 2001;
 - (y) **Secretary** means the person appointed as Secretary of the Company by the directors pursuant to clause 8.10;
 - (z) **Special Resolution** means a resolution that has been passed by at least 75% of the votes cast by Full Members present and entitled to vote on the resolution; and
 - (aa) **Surplus Assets** means any assets of the Company that remain after paying all debts and other liabilities of the Company, including the costs of winding up.

3.2. Interpretation

In this Constitution unless there is something in the subject or context which is inconsistent:

- (a) the singular includes the plural and vice versa;
- (b) each gender includes the other two genders;
- (c) the word "person" means a natural person and any partnership, association, body or entity whether incorporated or not;
- (d) the words "writing" and "written" include any other mode of representing or reproducing words, figures, drawings or symbols in a visible form;

- (e) where any word or phrase is defined, any other part of speech or other grammatical form of that word or phrase has a cognate meaning;
- (f) a reference to any clause or schedule is to a clause schedule of this Constitution;
- (g) a reference to an act includes every amendment, re-enactment, or replacement of that Act and any subordinate legislation made under that Act (such as regulations).

3.3. Headings

Headings do not form part of or affect the construction, or interpretation of this Constitution.

4. OBJECTS AND PURPOSES

4.1. Objects

The Company is a not for profit organisation, established for the primary purpose of facilitating the enhancement of the Australian litigation funding market (the “Market”) by means including, but not limited to:

- (a) providing education, training and information concerning litigation funding and the Market to its Members and the Market’s stakeholders and prospective plaintiffs;
- (b) actively lobbying the government and legislators, and engaging with other regulators and policy makers to help shape the legal and regulatory framework of litigation funding in Australia; and
- (c) promoting best practice and ethical behaviour amongst litigation funders in Australia.

4.2. Powers

The Company has all the powers of a Company limited by guarantee under the Corporations Act 2001, and to carry out its Objects set out in clause 4.1.

4.3. Assets and income

- (a) The assets and income of the Company shall be applied solely in furtherance of the objects of the Company set out in clause 4.1 and no portion shall be distributed directly or indirectly to the Members or Secretary except as bona fide compensation for services rendered or expenses incurred on behalf of the Company in accordance with clauses 4.3(b), (c) and 15.
- (b) No assets or income of the Company will be paid, transferred or distributed, directly or indirectly, by way of dividend, bonus or otherwise to any Member of the Company. However, nothing in this Constitution will prevent payment in good faith to a Member, Secretary or their associates in return for any services rendered, goods supplied or expenses incurred in carrying out the Objects under clause 4.1.
- (c) No director’s fees may be paid to the directors. All other payments to directors must be approved by directors, including but not limited to:

- (i) out-of-pocket expenses incurred by a director in performing a duty as a director of the Company; and
 - (ii) for any service rendered to the Company by the Director in a professional or technical capacity, other than in a capacity as Director, where, where the provisions of the service has the prior approval of the Board and is not more than an amount which commercially would be reasonable for the service.
- (d) This clause 4.3 does not prohibit identification of, or payment of premiums on contracts of insurance for, any director to the extent permitted by law and this Constitution.

5. MEMBERSHIP

5.1. Membership and Register of Members

- (a) The Members are:
 - (i) Initial Members;
 - (ii) Full Members;
 - (iii) Honorary Members;
 - (iv) Associate Members; and
 - (v) any person or entity that the directors allow to be a Member, in accordance with this Constitution.
- (b) The Company must establish and maintain a Register of Members. The Register of Members must be kept by the Secretary and must contain each Member's:
 - (i) name;
 - (ii) address; including any alternative address nominated by the Member for the service of notices; and
 - (iii) Date of Membership.
- (c) The Register of Members must also include persons who have been Members within the last seven (7) years. The Register of Members must contain each Member's:
 - (i) name;
 - (ii) address, including any alternative address nominated by the Member for the service of notices, and
 - (iii) term of Membership, including the Date of Membership and Date of Termination.
- (d) The Company must allow Members access to the Register of Members.
- (e) Information that is accessed from the Register of Members must only be used in a manner relevant to the interests or rights of Members.

5.2. Who can be a Member

A person who supports the Objects, and is eligible to apply to be a Member pursuant to clause 5.3.

5.3. Application for Membership

A person may apply for Membership to the Company by writing to the Secretary to the effect that they:

- (a) are desirous of being a Member (either as a Full Member, Associate Member or Honorary Member);
- (b) support the Objects; and
- (c) agree to comply with this Constitution.

5.4. Consideration of Membership application

- (a) At the first meeting of the Board of Directors after an application for Membership has been received by the Secretary, the Board of Directors must consider the application and either accept or reject the application by a simple majority.
- (b) The Board of Directors are not required to provide any reasons for their determination under clause 5.4(a).

5.5. Registration of Member

- (a) If the Board of Directors accept an application for Membership, as soon as practicable, the payment of the Annual Subscription must be made. The Secretary, only upon the payment of the Annual Subscription, must enter the Member on the Register of Members and write to the Applicant to notify them that their application has been approved.
- (b) Other than Initial Members, an Applicant will become a Member when they are entered on the Register of Members.

5.6. When Membership ceases

A Member will cease as a Member of the Company if they:

- (a) pass away;
- (b) are wound up, dissolved or deregistered;
- (c) resign as a Member by giving written notice to the Secretary;
- (d) are party to, or the subject of, an Insolvency Event;
- (e) are expelled pursuant to clause 5.7; or
- (f) fail to respond to a written request from the Secretary within thirty (30) days.

5.7. Suspension and termination of membership

- (a) A Member's membership may be immediately suspended if the board of directors reasonably determine at a meeting of the board of directors, at their discretion

and in accordance with clause 9.5 hereof, that in their reasonable opinion the member has:

- (i) failed to comply with any law or regulation of Australia; or
 - (ii) failed to comply with the rules of the company as have been notified to members from time to time; or
 - (iii) has engaged or is engaging in any conduct likely to bring the company into disrepute; or
 - (iv) has failed to pay to the company the annual subscription fee within the meaning of the rules for 30 days after it becomes due.
- (b) A person's membership may be terminated by the directors if they determine at a meeting of the board of directors, at their discretion in accordance with clause 9.5 hereof, that that person has:
- (i) failed, within three months' notice by the board, to remedy a default under sub-clause 5.7(a) above to the reasonable satisfaction of the board; or
 - (ii) otherwise ceased to be eligible for membership; or
 - (iii) failed to comply with the rules of the company as have been notified to members from time to time; or
 - (iv) has engaged or is engaging in any conduct likely to bring the company into disrepute; or
 - (v) failed to pay to the company the annual subscription fee within the meaning of the rules for 30 days after it becomes due, has received from the secretary notice of the fact, and has still failed to pay the subscription fee after 21 days from the date of that notice.
- (c) A person's membership shall not be terminated by the directors unless at least 21 days' notice has been given to that person of:
- (i) the directors' meeting at which the question of the termination of that person's membership shall be considered;
 - (ii) the reason for the proposed termination; and
 - (iii) informing the Member that he, she or it may attend the meeting and may give an oral or written explanation or submission before the resolution is put to the vote.
- (d) If a person's membership is terminated by the directors, the secretary shall as soon as practicable give written notice of that decision to the Member.
- (e) When a Member's membership is terminated, the secretary shall strike that person's name off the register of members.
- (f) The company may take all reasonable steps to investigate whether there are grounds for suspending and/or terminating a Member's membership under clause 5.7 (a) or (b).

- (g) the company may publicise the fact of a Member's suspension under clause 5.7(a) but shall keep the grounds and any matters concerning the investigation thereof strictly confidential pending any determination under clause 5.7 (b), after which time that Company may publicise the fact of a Member's termination.

5.8. Membership entitlements not transferable

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

- (a) is not capable of being transferred or transmitted to another person; and
- (b) ceases on the Date of Termination.

6. GENERAL MEETINGS

6.1. General Meetings called by Board of Directors

- (a) The Board of Directors may call and arrange to hold a General Meeting as deemed appropriate.
- (b) A Director may call a meeting of the Board of Directors by giving twenty-one (21) days' notice to all of the other members of the Board of Directors.
- (c) A Director may give notice in writing or by any other means of communication that has previously been agreed to unanimously by the Board of Directors.
- (d) A notice of a General Meeting must:
 - (i) specify the date, time and place of the meeting;
 - (ii) except as provided by the Corporations Act, state the general nature of the business to be transacted at the meeting; and
 - (iii) specify a place and e-mail address for the receipt of proxies.
- (e) A person may waive notice of a General Meeting by written notice to the Company.
- (f) Full Members each have one (1) voting right at a General Meeting. Associate Members and Honorary Members have the right to attend, but not to vote, at a General Meeting.
- (g) If Full Members with at least 10% of the votes that may be cast at a General Meeting make a written request to the Company for a General Meeting to be held, the directors must:
 - (i) within twenty-one (21) days of the Full Members' request, give all Members notice of a General Meeting; and
 - (ii) hold the General Meeting within two (2) months of the Full Members' request.
- (h) The percentage of votes that Full Members have in clause 6.2(a) is to be worked out as at midnight on the day the request is made.
- (i) The Full Members who make the request for a General Meeting must:

- (i) state in the request any resolution to be proposed at the meeting;
 - (ii) sign the request; and
 - (iii) give the request to the Company.
- (j) Separate copies of a document setting out the request may be signed by Full Members if the wording of the request is the same in each copy.

6.2. General Meetings called by Full Members

- (a) If the directors do not call the meeting within twenty-one (21) days of the request under clause 6.1(g), 10% or more of the Full Members who made the request may call, and arrange to hold a General Meeting.
- (b) To call, and hold a meeting under clause 6.2(a), the Full Members must:
- (i) as far as possible, follow the procedures for General Meetings set out in this Constitution;
 - (ii) call the meeting using the Register of Members, which the Company must provide to the Full Members making the request at no cost; and
 - (iii) hold the General Meeting within three (3) months after the request was given to the Company.
- (c) The Company must pay the Full Members who request a General Meeting any reasonable expenses they incur as a result of the failure of the Board of Directors to call and hold the meeting pursuant to clause 6.1(g).

6.3. Annual General Meeting

- (a) An Annual General Meeting must be held:
- (i) within eighteen (18) months after registration of the Company; and
 - (ii) after the first Annual General Meeting, at least once in every calendar year.
- (b) Even if these items are not set out in the notice of meeting, the business of an Annual General Meeting may include:
- (i) a review of the Company's activities;
 - (ii) a review of the Company's finances;
 - (iii) any auditor's report;
 - (iv) the election of directors; and
 - (v) the appointment and payment of auditors (if any).
- (c) Before or at the Annual General Meeting, the directors must give information to the Members on the Company's activities and finances during the period since the last Annual General Meeting.

- (d) The chairperson of the Annual General Meeting must give Members a reasonable opportunity at a General Meeting to ask questions or make comments about the management of the Company.

6.4. General Meeting Chairperson

- (a) The Board of Directors may elect one Director as chairperson of the directors (**Elected Chairperson**) and may decide the period for which that director is to be the chairperson for the General Meeting.
- (b) The Elected Chairperson must (if present within 15 minutes after the time appointed for the meeting and willing to act) preside as chairperson at each general meeting.
- (c) If at an Annual General Meeting:
 - (i) there is no chairperson of the Board of Directors;
 - (ii) the chairperson of the Board of Directors is not present within 15 minutes after the time appointed for the meeting; or
 - (iii) the chairperson of the Board of Directors is present within that time but is not willing to act as chairperson of the meeting,

the Full Members present must elect as chairperson of the meeting:

- (i) another director who is present and willing to act; or
- (ii) if no other director present at the meeting is willing to act, a Full Member who is present and willing to act.
- (d) The chairperson is responsible for the conduct of the General Meeting, and for this purpose must give the Members of reasonable opportunity to make comments and ask questions.
- (e) The chairperson does not have a casting vote.

6.5. Quorum at Annual General Meetings

- (a) No business may be transacted at an Annual General Meeting, except the election of a chairperson and the adjournment of the meeting, unless a quorum of Full Members is present when the meeting proceeds to business matters.
- (b) A quorum consists of:
 - (i) if there is only one Full Member entitled to vote, that Full Member; and
 - (ii) in any other case, three (3) Full Members entitled to vote, unless the Full Members have fixed a higher number of Full Members entitled to vote, and present at the meeting.
- (c) If a quorum is not present within thirty (30) minutes after the time appointed for a General Meeting:
 - (i) where the meeting was convened on the requisition of Full Members, the meeting must be dissolved; or

- (ii) in any other case, the meeting stands adjourned to the day, and at the time and place, that the Board of Directors decide or, if the Board of Directors do not make a decision, to the same day in the next week at the same time and place.

6.6. Auditors right to attend General Meetings

- (a) The auditor (if any) is entitled to attend any General Meeting and to be heard by the Members on any part of the business of the meeting that concerns the auditor in the capacity of an auditor.
- (b) The Company must provide to the auditor (if any) any communications relating to the General Meeting that a Member is entitled to receive.

6.7. Decisions at General Meetings

- (a) Except where by law a Special Resolution is required, questions arising at a General Meeting must be decided by a majority of votes cast by the Full Members present at the meeting. Such a decision is for all purposes a decision of the Members.
- (b) Where the votes on a proposed resolution are equal:
 - (i) the chairperson of the meeting does not have a second or casting vote; and
 - (ii) the proposed resolution is taken as lost.
- (c) A demand for a poll does not prevent a General Meeting continuing for the transaction of any business except the question on which the poll has been demanded.
- (d) If a poll is duly demanded at a General Meeting, it must be taken in such manner and either at once or after an interval or adjournment or otherwise, as the chairperson of the meeting directs. The result of the poll is the resolution of the meeting at which the poll was demanded.
- (e) A poll demanded at a General Meeting on the election of a chairperson of the meeting or on a question of adjournment must be taken immediately.
- (f) The demand for a poll may be withdrawn.
- (g) If the Company has only one Full Member, the Company may pass a resolution by the Full Member recording it and signing the record.

6.8. Circular Resolution of Full Members

- (a) Subject to clause 6.8(c), the Board of Directors may put a resolution to the Full Members to pass a resolution without a General Meeting being held (**Circular Resolution**).
- (b) The Board of Directors must notify the auditor (if any) as soon as possible that a Circular Resolution has or will be put to Full Members, and set out the wording of the Circular Resolution.
- (c) Circular Resolutions cannot be used:
 - (i) for a resolution to remove an auditor, appoint a director or remove a director;
 - (ii) for passing a Special Resolution; or

- (iii) where the Corporations Act or this Constitution requires a meeting to be held.
- (d) A Circular Resolution is passed if all the Full Members entitled to vote on the resolution sign or agree to the Circular Resolution, in the manner set out in clause 6.8(e).
- (e) Each Full Member may sign:
 - (i) a single document setting out the Circular Resolution and containing a statement that they agree to the Circular Resolution; or
 - (ii) separate copies of that document, as long as the wording is the same in each copy.
- (f) The Company may send a Circular Resolution by email to Full Members and Full Members may agree by sending a reply email to that effect, including the text of the Circular Resolution in their reply.

6.9. Notice of General Meetings

- (a) Notice of a General Meeting must be given to:
 - (i) each Member;
 - (ii) each Director; and
 - (iii) an auditor, if any.
- (b) Notice of a General Meeting must be provided in writing at least twenty-one (21) days before the meeting.
- (c) Notice of a General Meeting may be provided less than twenty-one (21) days prior to the meeting:
 - (i) for an Annual General Meeting and where all Full Members entitled to vote agree beforehand; or
 - (ii) for any other General Meeting, where Full Members with at least 95% of the votes that may be cast at the meeting agree beforehand.
- (d) A notice of a General Meeting must:
 - (i) specify the date, time and place of the meeting;
 - (ii) state the general nature of the business to be transacted at the meeting; and
 - (iii) specify a place and fax number or electronic address for the receipt of proxies.
- (e) A person may waive notice of a General Meeting by written notice to the Company.
- (f) A person's attendance at a General Meeting waives any objection that person may have to:

- (i) a failure to give notice, or the giving of a defective notice, of the meeting unless, at the beginning of the meeting, the person objects to the holding of the meeting; and
- (ii) the consideration of a particular matter at the meeting which is not within the business referred to in the notice of the meeting, unless the person objects to considering the matter when it is presented.

6.10. Conducting a General Meeting

- (a) A question arising at a General Meeting relating to the order of business, procedure or conduct of the meeting must be referred to the chairperson of the meeting, whose decision is final.
- (b) A Member who takes part in a General Meeting by telephone or other electronic means is taken to be present in person at the General Meeting.

6.11. Adjournment of meetings

- (a) If a quorum is present, a General Meeting must be adjourned if a majority of Full Members present direct the chairperson to adjourn the meeting.
- (b) Where a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as for an original meeting.

7. VOTING

7.1. Voting Rights

- (a) Subject to this Constitution and to any rights or restrictions attached to any class of Membership, at a General Meeting every Full Member present has one (1) vote.
- (b) A proxy, attorney or representative is entitled to a separate vote for each Full Member the person represents, in addition to any vote the person may have as a Full Member in his or her own right.
- (c) An objection to the qualification of a person to vote at a General Meeting must be:
 - (i) raised before or at the meeting at which the vote objected to is given or tendered; and
 - (ii) referred to the chairperson of the meeting, whose decision is final.
- (d) A vote not disallowed by the chairperson of a meeting under clause 7.1(c) is valid for all purposes.

7.2. How voting is carried out

- (a) Voting must be conducted and decided by:
 - (i) a show of hands;
 - (ii) a vote in writing; or
 - (iii) another method chosen by the chairperson that is fair and reasonable in the circumstances.

- (b) Subject to this Constitution, each Full Member entitled to vote at a meeting of Members may vote:
 - (i) in person or, where a Full Member is a body corporate, by its representatives;
 - (ii) by not more than two (2) proxies; or
 - (iii) by not more than two (2) attorneys.
- (c) Before a vote is taken, the chairperson must state whether any proxy votes have been received and, if so, how the proxy votes will be cast.
- (d) On a show of hands, the chairperson's decision is conclusive evidence of the result of the vote.
- (e) The chairperson and the meeting minutes do not need to state the number or proportion of the votes recorded in favour or against on a show of hands.

7.3. When a vote in writing must be held

- (a) Vote in writing may be demanded on any resolution instead of or after a vote by a show of hands of:
 - (i) at least five (5) Full Members present;
 - (ii) Full Members present with at least 5% of the votes that may be passed on the resolution on the vote in writing (worked out as at the midnight before the vote in writing is demanded); or
 - (iii) the Elected Chairperson.
- (b) A vote in writing must be taken when and how the chairperson directs, except in the circumstances prescribed in clause 7.3(c).
- (c) A vote in writing must be immediately conducted, subject to clause 7.2(a)(ii) for:
 - (i) for the election of a chairperson under clause 6.4(a); or
 - (ii) to decide whether to adjourn a meeting pursuant to clause 6.11.
- (d) A demand for a vote in writing under clauses 7.2(a)(ii) and 7.3(c) may be withdrawn.

7.4. Appointment of proxy

- (a) A Full Member may appoint a proxy (**Appointing Member**) to attend and vote at a General Meeting on their behalf.
- (b) A proxy need not, be a Full Member of the Company.
- (c) A proxy may be appointed for all General Meetings, or for any number of General Meetings, or for a particular General Meeting.
- (d) An appointment of proxy must be signed by the Appointing Member (**Proxy Form**) and must contain:
 - (i) the Full Member's name and address;
 - (ii) the Company's name;

- (iii) the proxy's name or the name of the office held by the proxy; and
 - (iv) the meeting(s) at which the appointment may be used.
- (e) Proxy Forms need not be in any particular form as long as it is in writing, legally valid and signed by, or on behalf of the Appointing Member.
 - (f) Proxy Forms must be received by the Company at the Company's registered address at least 48 hours before a meeting. If not, the proxy will not have the authority to vote at a General Meeting or adjourned meeting.
 - (g) A proxy does not have the authority to speak, or vote for the Appointing Member at a meeting when the Appointing Member is present at that meeting.
 - (h) Unless the Company receives written notice before the start or resumption of a General Meeting at which a proxy votes, a vote cast by the proxy is valid even if, before the proxy votes, the Appointing Member:
 - (i) passes away;
 - (ii) is mentally incapacitated;
 - (iii) revokes the proxy's appointment; or
 - (iv) revokes the authority of a representative or agent who appointed the proxy.

7.5. Voting by proxy

- (a) Unless otherwise provided in Proxy Form, the Proxy Form appointing a proxy is to be taken to confer authority:
 - (i) to agree to a meeting being convened by shorter notice than is required by the Corporations Act or by this Constitution;
 - (ii) to agree to a resolution being proposed and passed as a Special Resolution at a meeting of which less than the period of notice required by the Corporations Act has been given;
 - (iii) even though the Proxy Form may refer to specific resolutions and may direct the proxy, attorney or representative how to vote on those resolutions:
 - I. to vote on any amendment moved to the proposed resolutions and on any motion that the proposed resolutions not be put or any similar motion;
 - II. to vote on any procedural motion, including any motion to elect the chairperson, to vacate the chair or to adjourn the meeting; and
 - III. to act generally at the meeting.
- (b) Where a Full Member appoints two (2) proxies or attorneys to vote at the same General Meeting, the following rules apply:
 - (i) subject to clause 7.5, the appointment is of no effect and a proxy or attorney may not vote unless each proxy or attorney (as applicable) is appointed to represent a specified proportion of the Full Member's voting rights;

- (ii) if the Corporations Act precludes the Company from treating as invalid the appointment of two (2) proxies which fails to specify the proportion or number of votes that each may exercise, each person appointed may exercise half the Full Member's votes;
 - (iii) on a show of hands, neither the proxy or attorney may vote;
 - (iv) on a poll, each proxy or attorney may only exercise the voting rights the proxy or attorney represents; and
 - (v) if both appointments cannot be validly exercised at the meeting, the later appointment revokes the earlier appointment of a proxy or attorney.
- (c) The Proxy Form appointing a proxy may direct the manner in which the is to vote in respect of a particular resolution and, where an instrument so provides, the proxy is not entitled to vote on the proposed resolution except as directed in the Proxy Form.

8. BOARD OF DIRECTORS

8.1. Number of Directors

Subject to this clause 8.1, the Company must have:

- (a) at least three (3) Directors; and
- (b) not more than ten (10) Directors.

8.2. Election and appointment of Directors

- (a) Apart from the Initial Directors and Directors appointed under clause 8.4, the Full Members may elect a Director by a resolution passed in a General Meeting.
- (b) Each of the Directors must be appointed by a separate resolution, unless:
 - (i) the Full Members present have first passed a resolution that the appointments may be voted on together; and
 - (ii) no votes were cast against that resolution.

8.3. Eligibility

A person is eligible for election as a Director if they:

- (a) are a representative of a Full Member of the Company (appointed under clause 5). Honorary and Associate Members are not entitled to nominate, or be voted, onto the Board of Directors. ;
- (b) are nominated by two (2) Full Members or representatives of Full Members entitled to vote (unless the person was previously elected as a director at a General Meeting and has been a director since that meeting);
- (c) give the Company their signed consent to act as a director of the Company; and
- (d) are not ineligible to be a director under the Corporations Act.

8.4. Relief director

The director may appoint a person as a director to fill a casual vacancy or as an additional director if that person:

- (a) is a Full Member, or a representative of a Full Member (appointed under clause 5);
- (b) gives the Company their signed consent to act as a director of the Company; and
- (c) is not ineligible to be a director under the Corporations Act.

8.5. Vacation of Office

The office of a Director becomes vacant:

- (a) if the Director resigns by written notice to the Company;
- (b) if the Director becomes of unsound mind or a person who is, or whose estate is, liable to be dealt with in any way under the law relating to mental health;
- (c) if the Director is removed by a resolution of Full Members in accordance with section 203D of the *Corporations Act*;
- (d) if the Director is absent for three (3) consecutive Board of Directors' meetings without approval from the directors;
- (e) if the director becomes ineligible to be a director of the Company under the Corporations Act; and
- (f) in event of the Director's death or permanent and total incapacity.

8.6. Powers of Directors

- (a) The Board of Directors are responsible for managing and directing the activities of the Company to achieve the Objects in clause 4.1.
- (b) the Board of Directors may exercise all the Company's powers to:
 - (i) borrow or otherwise raise money;
 - (ii) charge any property or business of the Company; and
 - (iii) issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.
- (c) The Board of Directors may decide how cheques, promissory notes, bankers drafts, bills of exchange or other negotiable instruments must be signed, drawn, accepted, endorsed or otherwise executed (as applicable) by or on behalf of the Company.
- (d) The Board of Directors may pay out of the Company's funds all expenses of the promotion, formation and registration of the Company and the vesting in it of the assets acquired by it.
- (e) The directors may:
 - (i) appoint or employ a person to be an officer, agent or attorney of the Company for the purposes, with the powers, discretions and duties (including powers, discretions and duties vested in or exercisable by the directors), for the period and on the conditions they think fit;
 - (ii) authorise an officer, agent or attorney to delegate all or any of the powers, discretions and duties vested in the officer, agent or attorney; and
 - (iii) subject to any contract between the Company and the relevant officer, agent or attorney, remove or dismiss any officer, agent or attorney at any time, with or without cause.

- (f) A power of attorney may contain any provisions for the protection and convenience of the attorney or persons dealing with the attorney that the Board of Directors think fit.
- (g) The Board of Directors cannot remove a Director or auditor. A Director and auditor may only be removed by a Full Members' resolution at a General Meeting pursuant to clause 6.7.
- (h) The Board of Directors may delegate any of their powers and functions to a committee, a Director, an employee of the Company or any other person, as they consider appropriate. The delegation must be recorded in the Company's minutes.

8.7. Duties of Board of Directors

The Board of Directors must comply with their duties as Directors under legislation and common law:

- (a) to exercise their powers and discharge their duties with the degree of care and diligence that a reasonable individual would exercise if they were a director of the Company;
- (b) to act in good faith in the best interests of the Company and to further the Objects and Purposes of the Company set in clause 4.1;
- (c) not to misuse their position as a director;
- (d) not to misuse information they gain in their role as a director;
- (e) to disclose any perceived or actual material conflicts of interest in the manner set out in clause 8.8;
- (f) to ensure that the financial affairs of the Company are managed responsibly; and
- (g) not to allow the Company to operate while it is insolvent.

8.8. Conflict of Interest

- (a) A Director must disclose the nature and extent of any actual or perceived material conflict of interest in a matter that is being considered at a meeting of the Board of Directors (or that is proposed in a circular resolution):
 - (i) to the other Directors; or
 - (ii) if all of the Directors have the same conflict of interest, to the Members at the next General Meeting, or at an earlier time if reasonable to do so.
- (b) The disclosure of a conflict of interest by a Director must be recorded in the minutes of the meeting.
- (c) Each Director who has a material personal interest in a matter that is being considered at a meeting of Board of Directors (or that is proposed in a circular resolution) must not, except as provided under clause 8.8(d):
 - (i) be present at the meeting while the matter is being discussed; or
 - (ii) vote on the matter.
- (d) A Director may still be present and vote if:
 - (i) their interest arises because they are a Full Member, and the other Members have the same interest;

- (ii) their interest relates to an insurance contract that insures, or would insure, the Director against liabilities that the director incurs as a Director of the Company;
- (iii) their interest relates to a payment by the Company under clause 13.2 (indemnity), or any contract relating to an indemnity that is allowed under the Corporations Act; or
- (iv) the Australian Securities and Investments Commission (ASIC) makes an order allowing the director to vote on the matter.

8.9. Payments for directors

- (a) The Company must not pay fees to a Director for acting as a Director.
- (b) The Company may:
 - (i) pay a Director for work undertaken, or service provided to the Company, other than as a Director, if the amount is no more than a reasonable fee for the work done, or services provided or
 - (ii) reimburse a Director for expenses properly incurred in connection with the affairs of the Company.
- (c) Any payment made under clause this clause 8.9(b) must be approved by the Board of Directors.
- (d) The Company may pay premiums for insurance indemnifying Directors, as allowed under the Corporations Act and this Constitution.

8.10. Secretary

- (a) The Company must have at least one Secretary.
- (b) The Secretary may also be a Director.
- (c) A Secretary must be appointed by the Directors (after giving the Company their signed consent to act as secretary of the Company) and may be removed by the directors, at any time.
- (d) The Directors must decide the terms and conditions under which the Secretary is appointed, including any remuneration.
- (e) The role of the secretary includes:
 - (i) maintaining the Register of Members; and
 - (ii) maintaining the minutes and other records of General Meetings (including notices of meetings), directors' meetings and circular resolutions.

9. BOARD OF DIRECTORS' MEETINGS

9.1. Convening of Board of Directors' meeting

- (a) A Director may convene a Board of Directors' meeting whenever he or she thinks fit.
- (b) A Secretary must, on requisition of a director, convene a meeting of the Directors.
- (c) A Director may call a Board of Directors' meeting by giving reasonable notice to all of the other Directors.

- (d) A director may give notice in writing or by any other means of communication that has previously been agreed to by the directors.

9.2. Chairperson for the Board of Directors' meetings

- (a) The Elected Chairperson must (if present within fifteen (15) minutes after the time appointed for the meeting and willing to act) preside as chairperson at each general meeting.
- (b) If at the meeting of Board of Directors:
 - (i) the Elected Chairperson is not present within fifteen (15) after the time appointed for the meeting; or
 - (ii) the Elected Chairperson is present within that time but is not willing to act as a chairperson of the meeting,

the Directors present must elect one of the Directors as chairperson of the meeting.

9.3. Quorum at directors' meetings

- (a) Unless the Board of Directors determine otherwise, the quorum for a directors' meeting is a majority (more than 50%) of Directors.
- (b) A quorum must be present for the whole Board of Directors' meeting.

9.4. Directors to take decisions collectively

The general rule about decision – making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with clause 9.5, save that proposed amendments to the Best Practice Guidelines for Litigation Funders and Managers must be made by a two-thirds majority of Full Members at an annual general meeting or extraordinary general meeting.

9.5. Unanimous Decisions

- (a) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- (b) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- (c) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- (d) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

10. MINUTES AND RECORDS

10.1. Minutes of meetings and meetings of resolutions

- (a) The Board of Directors must ensure minutes of proceedings and resolutions of General Meetings and of meetings of Board of Directors (including committees of Directors) are recorded in books kept for the purpose, within one month after the relevant meeting is held.
- (b) The Board of Directors must ensure minutes of resolutions passed by Directors (and committees of Directors) without a meeting are recorded in books kept for that purpose within one (1) month after the resolution is passed.
- (c) The minutes of a meeting must be signed within a reasonable time by the chairperson of the meeting or the chairperson of the next meeting.

10.2. Financial and related records

- (a) The Company must make and keep written financial records that:
 - (i) correctly record and explain its transactions and financial position and performance, and
 - (ii) enable true and fair financial statements to be prepared and to be audited.
- (b) The Company must also keep written records that correctly record its operations.
- (c) The Company must retain its records for at least seven (7) years.
- (d) The Directors must take reasonable steps to ensure that the Company's records are kept safe.

11. DISPUTE RESOLUTION

- (a) This clause sets out the procedure to be undertaken where a dispute arises between a Member or director and:
 - (i) one or more Members;
 - (ii) one or more Directors, or the Company.
- (b) Any dispute or difference between the parties listed in clause 11(a) must be resolved in the following manner:
 - (i) a written notice of the dispute, accurately identifying and describing the matter(s) in dispute shall be given to the Secretary (**Dispute Notice**);
 - (ii) within seven (7) days of a Dispute Notice being issued by either party, the two parties shall meet at a mutually agreed location and use their respective best endeavours to resolve the dispute;
 - (iii) if the parties do not settle the dispute within seven (7) days, the parties must notify the board of directors of the dispute in writing and agree to attend mediation;
 - (iv) the mediator will be chosen by mutual agreement of both parties;
 - (v) where those involved do not reach an agreement:

- I. for disputes between Members, a Director will choose the mediator; or
 - II. for other disputes, a mediator will be chosen by the President of the Law Society in the said state or territory in which the Company has its registered office.
- (vi) the costs of the mediation will be borne equally by the parties.
- (c) The mediator chosen by the directors under clause 11(b)(v):
- (i) may be a Member or former Member;
 - (ii) must not have a personal interest in the dispute; and
 - (iii) must not be biased towards or against anyone involved in the dispute.

12. FINANCIAL YEAR

The Company's financial year is from 1 July to 30 June, unless otherwise determined by a resolution of Directors.

13. INDEMNITY AND INSURANCE

13.1. Persons to whom the indemnity and insurance apply

The indemnity and insurance referred to in this clause applies to the following individuals (**Indemnified officers**):

- (a) each person who is or has been a Director or executive officer (within the meaning of clause 8.2 of the Constitution); and
- (b) any other officers or former officers of the Company as the Directors in each case decide.

13.2. Indemnity

- (a) The Company must indemnify, on a full indemnity basis and to the full extent permitted by law, each indemnified officer against all losses or liabilities (including costs and expenses) incurred by the person as an officer of the Company.
- (b) This indemnity:
 - (i) is a continuing obligation and is enforceable by an indemnified officer even though that person has ceased to be an officer of the Company; and
 - (ii) operates only to the extent that the loss or liability in question is not covered by insurance.

13.3. Insurance

The Company may, to the extent permitted by law:

- (a) obtain and maintain insurance; or
- (b) pay or agree to pay a premium for insurance,

for any indemnified officer against any liability incurred by the person as an officer of the Company where the Board of Directors consider it appropriate to do so.

13.4. Savings

Nothing in this clause:

- (a) affects any other right or remedy that an indemnified officer may have in respect of any loss or liability referred to in this indemnity or insurance; or
- (b) limits the capacity of the Company to indemnify or provide or pay for insurance for any person to whom this rule does not apply.

14. AUDITOR

The Company may appoint a qualified auditor whose duties will be regulated in accordance with the Corporations Act.

15. WINDING UP

If the Company is resolved or wound up, any Surplus Assets must be transferred to another association or organisation with similar objects and purposes as the Company which is not carried on for the profit or gain of its individual members.

16. SUBSCRIPTIONS

16.1. Rate

The rate of annual subscription for each financial year shall be determined by the Board of Directors. The Board of Directors may determine different annual subscriptions or supplementary fees for different classes of Members. The annual subscription shall be due and payable on 1st July in the relevant year.

The Board of Directors may determine that a supplementary fee is to be levied during any financial year. Any such supplementary fee shall be payable on such date as is determined by the Board of Directors.

16.2. Arrears

If any Member's subscription is in arrears for more than three (3) months for the year current, membership shall be deemed to have ceased with all rights forfeited and the Board of Directors may remove such Member's name from the Register of Members. The Board of Directors may, at its discretion, restore the Member to membership upon payment of all arrears of subscriptions then due.

17. ALTERING THIS CONSTITUTION

The Company must not pass a Special Resolution making a material alteration to, or materially affecting, clauses 4.1, 4.3 or 15, or any other alteration to the Constitution, if, as a result, the Company is no longer not for profit.