

STATUTES

ACI - SOUTH AFRICA

THE FINANCIAL MARKETS ASSOCIATION

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INTERPRETATION

In these statutes, unless the context shall clearly otherwise indicate-

1. "Association" means ACI- South Africa The Financial Markets Association.
2. "ACI" means ACI - The Financial Markets Association
3. "Authorised Dealer" means an authorised dealer in terms of the Exchange Control Regulations promulgated pursuant to the Currency and Exchange Act, 9 of 1933, from time to time.
4. "Licensed foreign exchange broking firm" means a licensed foreign exchange broking firm in terms of authorization given by the South African Reserve Bank.
5. "Interdealer Broker" as defined in the Financial Markets Control Act 55 of 1989 (as amended from time to time) means a participant in a financial market who facilitates transactions in listed financial instruments between members.
6. "Authorised Dealer in foreign exchange with limited authority" in terms of the Exchange Control Regulations promulgated pursuant to the Currency and Exchanges Act, 9 of 1933, from time to time.
7. "Bank" shall mean a bank as defined and registered in terms of the provisions of the Banks Act 94 of 1990.
8. "The President" means the person referred to in 14.7.
9. "The Vice-President" means the person referred to in 14.8.
10. "The Secretary" means the person referred to in 14.9.
11. "The Treasurer" means the person referred to in 14.10.
12. Expressions with reference to writing shall be construed as including reference to printing, lithography, photography and other modes or representing or reproducing words in visible form.
13. Words importing the singular shall include the plural; words importing the masculine, feminine or neuter genders shall include the others of such genders; and words importing persons shall include bodies corporate; and vice versa in each instance.

1. NAME

- 1.1. The name of the Association is ACI - SOUTH AFRICA, THE FINANCIAL MARKETS ASSOCIATION.
- 1.2. The Association is a constituent part of the international de facto federation "ACI-THE FINANCIAL MARKETS ASSOCIATION", the headquarters of which are in Paris, France.

2. PURPOSE DESCRIBING THE MAIN BUSINESS

The main business which the Association is to carry on is:

- 2.1. to educate financial market dealers with a view to establishing accreditation standards as well as promote the dealing profession;
- 2.2. to seek active interaction with regulators;
- 2.3. to play an active role in the education of dealers and the development of, the financial markets in the Southern African region,

3. MAIN OBJECT

The main object of the Association is:

- 3.1. to promote greater international co-operation within the framework of the financial markets dealing profession, and similarly develop the links of friendship and cordial relationship between financial market dealers;
- 3.2. to improve technical skills and knowledge among dealers, and to promote the professional training and competence of new dealers;
- 3.3. to seek by every means to improve the reputation and dignity of the financial markets dealing profession;
- 3.4. generally, to promote education of the financial markets dealing profession;
- 3.5. to be committed to behave in line with the ACI Code of Conduct, the current ACI Charter and the ACI Statutes.

4. ADMISSION TO MEMBERSHIP

4.1. Membership

Membership is restricted to persons currently in the employ of:

- an Authorised Dealer; or
- a Licensed foreign exchange broking firm; or
- an Interdealer Broker; or
- an Authorised Dealer in foreign exchange with limited authority

and who are actively engaged in, or responsible for, trading in the financial markets (on-exchange and/or off-exchange), including trading in the money market, the capital market, the foreign exchange market, foreign currency bank notes, equities, precious or base metals, and any other financial instruments or commodities including derivatives.

Members of good standing may attend the congresses of ACI-THE FINANCIAL MARKETS ASSOCIATION ("ACI"). Total membership will be used to determine ACI voting rights and congress places.

4.2. Associated Membership

Membership is restricted to persons currently in the employ of:

- An Authorised Dealer; or
- A Licensed foreign exchange broking firm; or
- An Interdealer Broker; or
- An Authorised Dealer in foreign exchange with limited authority; or
- A Bank; or
- Data Vendors as approved by the members; or
- Educational Institutions

And who are actively responsible for support of traders for information systems, trading systems, sales and training of traders in the financial markets (on-exchange and/or off-exchange), including money market, capital market, the foreign exchange market, foreign currency bank notes, equities, precious metals, and any other financial instrument or commodity including derivatives.

An associated member will have no voting rights and may not be elected to the committee nor attend the congresses of "ACI".

4.3. Individual Membership

Applications for membership received from African countries will be restricted to persons currently in the employ of:

- An Authorised Dealer; or
- A Licensed foreign exchange broking firm; or
- An Interdealer Broker; or
- An Authorised Dealer in foreign exchange with limited authority; or
- A Bank;
- Data Vendors as approved by the members; or
- Educational Institutions,

And who are actively responsible for support of traders for information systems, trading systems, sales and training of traders in the financial markets (on-exchange and/or off-exchange), including money market, capital market, the foreign exchange market, foreign currency bank notes, equities, precious metals, and any other financial instrument or commodity including derivatives.

An individual member will have voting rights within the Association and may be elected to the committee.

4.4. Honorary Membership

Honorary membership may be bestowed upon individuals who by their position or their acts have been or may be of valuable assistance to the Association and to its objectives. The decision to grant such an honour must be made unanimously by a quorum of the Committee.

4.5. Entry Fees

A member shall be liable to pay such entry fees and annual subscriptions at such time or times as the Committee may from time to time determine.

4.6. Approval of Applications

No person shall be admitted as a member without the prior approval of the Committee who may reject any application for membership without assigning any reasons therefore.

4.7. Sponsoring of members

Candidates for membership in the three active categories must be sponsored in writing by two members of the Association, in good standing, who must certify under their responsibility that the candidate meets the requirements necessary for the category applied for.

4.8. Application forms

Such applications must give the full name and also the name and address of the employer of the candidate, together with the appropriate membership fee, and must be handed/sent to the President or Secretary at least two weeks prior to a formal meeting of the Association. If the Committee approves the application, the new member will be required to introduce himself, at the subsequent formal meeting.

4.9. Voting

The Committee will consider each application and by way of a simple majority ballot, approve or reject the application.

4.10. Notification

A successful applicant will be notified in writing and will receive with their notification, a copy of these statutes, which he must acknowledge and agree to observe, in writing.

4.11. Automatic termination

Membership in the three categories is automatically terminated should a member cease to qualify in terms of these statutes.

4.12. Previous Membership

Applicants who were members of the Association previously may retain the benefit of previous qualifications for membership (e.g. previous periods of relevant employment) subject to the approval of the Committee.

4.13. Dual membership

Members may be a member of an association of another country and an associated member of the Association simultaneously. This is to limit voting rights to one Association at the ACI.

4.14. Annual Rates

Annual subscription rates applicable to each category of membership will be decided upon by the Association and advised to all members from time to time

5. TERMINATION, SUSPENSION & FORFEITURE OF MEMBERSHIP

- 5.1. The Committee may further, in their discretion, exclude or suspend any member or restrict his rights of membership in any way if he fails in the observance of these statutes.
- 5.2. Any member may give the Secretary notice in writing of his resignation, and on submitting such notice to the Secretary shall cease to be a member; provided that such resignation shall not be effective if it would result in the number of members being reduced to less than 7.
- 5.3. A member shall cease to be a member of the Association if he fails to pay membership dues within six months after 31 October annually, unless such cessation of membership would result in the number of members being reduced to less than 7.
- 5.4. Any member who has resigned or has been excluded or suspended shall not have any claim of any nature against the Association.

6. CERTIFICATES OF MEMBERSHIP

- 6.1. Every person whose name is entered as a member in the register of members shall be entitled to a certificate of membership.
- 6.2. Every member shall be entitled to one certificate free of charge but for every subsequent certificate the Committee may make such charge as from time to time as it may think fit.
- 6.3. Membership certificates shall be issued under the authority of the Committee in such manner and form, as the Committee shall from time to time prescribe.

7. REGISTER OF MEMBERS

The Association shall maintain a register of members of the Association.

8. ALTERATIONS OF STATUTES

- 8.1. The Association may, by special resolution, alter the provisions of its statutes with respect to the objects and powers of the Association.
- 8.2. Such alteration may only take place at an annual general meeting or at a general meeting convened for this specific purpose.

9. GENERAL MEETINGS

9.1. **Annual General Meeting**

The Association shall hold its first annual general meeting within 18 months after the date of its incorporation, and shall thereafter in each year hold an annual general meeting; provided that not more than 15 months shall elapse between the date of one annual general meeting and that of the next, and that an annual general meeting shall be held within 9 months after the expiration of the financial year of the Association.

9.2. **Other general meetings**

Other general meetings of the Association may be held at any time provided that at least 3 meetings are held annually (in addition to the annual general meeting) with no more than 4 months between each.

9.3. **Time and place**

Annual general meetings and other general meetings shall be held at such a time and place as the members of the Committee may appoint.

10. NOTICE OF GENERAL MEETINGS

10.1. **Annual and special general meetings**

An annual general meeting and a special general meeting called for the passing of a special resolution shall be called by not less than 21 clear days' notice in writing and any other general meeting shall be called by not less than 14 clear days' notice in writing.

10.2. **Notices**

The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Association in a general meeting, to such persons as are, under these statutes, entitled to receive such notices from the Association, provided that a meeting of the Association shall, notwithstanding the fact that it is called by shorter notice than that specified in these statutes, be deemed to have been duly called, if it is so agreed by a majority holding not less than 95 percent of the total voting rights of all such members.

10.3. **Agenda**

Matters for inclusion in the agenda must be submitted to the Committee in writing at least 7 (seven) days before the meeting.

11. **PROCEEDINGS AT GENERAL MEETINGS**

11.1. **Matters**

The annual general meeting shall deal with and dispose of all matters prescribed by the Statutes, including the consideration of the annual financial statements, the election of members of the Committee and the appointment of an auditor when required, and may deal with any other business laid before it. All business laid before any other general meeting shall be considered special business.

11.2. **Quorum**

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, members present in person equal to three times the number of members of the Committee in office shall be a quorum.

If, within half an hour after the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to the same day and the same time the following week. At such adjourned meeting, the members present shall be deemed to be a quorum.

11.3. **Chairman**

The President, or failing him, the Vice-President, or failing him, the Secretary/Treasurer, shall preside as chairman at every general meeting of the Association.

If at any meeting none of the persons mentioned above are present within 15 minutes after the time appointed for the holding of the meeting, the members of the Committee present shall elect one of their number to act as chairman, and if no member of the Committee is present the members present shall elect one of their number to act as chairman.

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

11.4. **Voting**

At any general meeting, a resolution put to the vote of the meeting shall be decided by ballot. A declaration by the chairman that a resolution has been called by a simple majority or negative, and an entry to that effect in the book containing the minutes of the proceedings of the Association, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

11.5. No Casting Vote

In the case of an equality of votes, the chairman of the meeting shall not be entitled to be a second or casting vote.

12. VOTES OF MEMBERS

A member of the Association entitled to vote in terms of these statutes, shall be entitled to one vote in regard to all matters laid before him/her at a meeting of members.

13. PROXIES

No member shall be entitled to vote by proxy.

14. THE MEMBERS OF THE COMMITTEE

14.1. Numbers

Unless and until otherwise determined by the Association in general meeting, there shall be not more than 10 members of the Committee elected at the annual general meeting.

14.2. Election of Appointments

- **Nominations**

Nominations (in the form prescribed by the Committee and signed by 2 members of the Association) for members of the Committee to be elected at the next annual general meeting or extraordinary meeting for the ensuing period of office, shall be handed to the President 28 days prior to any such meeting. The Secretary shall confirm that any such nominee is available within the next 7 days.

- **Circulation of nominations**

The Committee shall circulate a list of the nominations to the members of the Association not later than 14 days before such general meeting.

- **Elected members**

Four members of the Committee shall be elected by members of the Association, and shall be termed elected members, i.e.

- President
- Vice-President
- Secretary
- Treasurer

The President, the Vice-President and the Secretary must be members in good standing.

The Treasurer and the other members of the Committee, the number of which shall be decided and elected at an annual general meeting or extraordinary meeting must be members in good standing.

14.3. Additional member

The Committee may, when deemed necessary, appoint an additional member to the Committee for strategic purposes. Members of the Association will be advised of such an appointment and the incumbent will serve on the Committee until the next annual general meeting.

14.4. Extra-ordinary elections

Should the Committee be reduced to less than 5 members or an office-bearer's term of office come to an end for whatever reason, an extraordinary general meeting must be convened to elect new members of the Committee in the place of those who no longer hold office.

14.5. Term of Office

The term of office of the President, Vice-President and the Secretary shall be for a period of 3 years and that of the Treasurer, 1 year. At the end of their terms they shall be eligible for re-election or re-appointment as the case may be.

14.6. Powers and Duties of Committee

• **Business of Association**

The business of the Association shall be managed by the members of the Committee who may pay on behalf of the Association all expenses incurred in promoting and incorporating the Association, and may exercise all such powers of the Association as are not covered by these statutes, required to be exercised by the Association in general meeting. Without in any way derogating from the generality of the foregoing, the members of the Committee shall be entitled to exercise on behalf of the Association all and any of the common powers of associations itemized herein, subject only to any contrary stipulation contained from time to time in the statutes of the Association.

• **In addition, the members of the Committee shall -**

- be vested with powers to carry out the aim and objects of the Association;
- liaise at national and international level with organizations with objects similar to those of the Association;
- decide on the donors to be approached for donations;
- report at the close of each year to the members of the Association on the state of affairs;

- elect (and if necessary remove) Honorary Presidents and honorary patrons, to hold office for such period as may be stipulated by the Committee;
 - suspend or cancel the membership of any member of the Association in their sole discretion,
 - consider all proposals which are submitted;
 - deal with all correspondence addressed to the Association;
 - decide on all matters relating to the disposal, expenditure or investment of assets of the Association;
 - be entitled to appoint subcommittees which subcommittees shall operate and function subject to the mandate of the Committee,
- All acts done by any meeting of the Committee or by any person acting as a member of the Committee shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of such members of the Committee or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a member of the Committee.
 - In the case the Presidency becomes vacant; the vacancy shall be filled by the Vice-President until such time as a new President has been elected.
 - Where a vacancy occurs in the office of the Vice-President and/or the Secretary/Treasurer, the members of the Association shall elect a Vice-President and/or a Secretary/Treasurer, as the case may be, who shall fill such vacancy for the unexpired period of the office.

14.7. Powers and duties of the president

The President shall-

- Preside at meetings of the of the Committee and the Association;
- In case of an equality of votes not have a casting vote;
- Represent the Association at ACI including voting on behalf of the Association as he deems necessary;
- Commit the Association to expenses without approval up to an amount approved at an Annual General Meeting;
- Liaise with the media when necessary or as authorised by the Committee;

- In general, perform those tasks required to pursue the objects of the Association and those assigned to him by the Committee.

14.8. Powers and duties of the Vice-President

The Vice-President shall-

- Act as chairman at meetings of the Committee and the Association in case of the casual absence of the President;
- In the absence of the President, liaise with the media as he deems necessary or as directed by the Committee; and
- In general perform those tasks assigned to him by the Committee.

14.9. Powers and Duties of the Secretary

The Secretary shall -

- Be responsible for preparing and distributing agendas and the keeping and distributing of minutes of meetings of the Committee and the Association;
- Be responsible for the arranging of venues and making all other arrangements required for any particular meeting;
- Arrange sponsors for all meetings and attending to all matters related thereto;
- In the absence of the President and the Vice-President, liaise with the media in the manner directed by the Committee;
- Be responsible for keeping a proper register of all members of the Association;
- Act as chairman of the Committee in case both the President as well as the Vice-President should happen to be absent simultaneously;
- Be responsible for secretarial work, and distributing communications to members of the Committee and Association.

14.10. Powers and duties of the Treasurer

The Treasurer shall-

- Be responsible to keep account of all financial matters concerning the Committee, and of the Association;
- Keep a register of all assistance given and also keep a register of all donors and donations received;
- Arrange for the submission of the audited financial statements to the members of the Committee

14.11. Meetings of the Committee

- **Time and Place**

The members of the Committee shall meet at such times and place as determined by the chairman, provided that the members of the Committee shall meet at least once a year (to report to the members of the Association) provided further that the chairman must convene a meeting of the members of the Committee within one calendar month after having been requested in writing to do so by at least two thirds of the members of the Committee.

- **Quorum**

The majority members of the Committee shall constitute a quorum, provided that one of such members shall be the chairman, the vice-chairman or Secretary/Treasurer of the Committee. A member of the Committee shall have the right to appoint an alternate, approved by the other members of the Committee, to represent him.

If within half an hour after the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to the same day and the same time the following week. At such adjourned meeting the members present shall be deemed to be a quorum.

- **Absence**

A member of the Committee who is absent from the Republic of South Africa shall not, during such absence, be entitled to notice of any meeting.

14.12. General

The members of the Committee shall-

- Not be entitled to receive any remuneration for their services as members of the Committee;
- Be entitled to reimbursement of all travelling, subsistence, and other expenses properly incurred by them in the execution of their duties in or about the business of the Association and which are authorised or approved by the members of the Committee
- Discussions of a political or religious nature are strictly forbidden during any meetings.

14.13. Disqualification and removal

The office of a member of the Committee shall be vacated if the member of the Committee-

- Is removed by a decision of the majority of the members of the Committee.

15. MINUTES AND MINUTE BOOKS

- 15.1. The members of the Committee shall, cause minutes to be kept-
- Of all appointments of officers;
 - Of names of members of the Committee present at every meeting of the Association and of the members of the Committee and
 - Of all proceedings at all meetings of the Association and of the members of the Committee.
- 15.2. Such minutes shall be signed by the chairman of the meeting at which the proceedings took place or by the chairman of the next succeeding meeting.

16. FINANCE

- 16.1. The financial year of the Association shall be from 1 November to 31 October of the following year.
- 16.2. The procedure to be followed in connection with all moneys received shall be agreed to by the committee. The procedure shall thereupon be set out in writing in detail for the information of the members of the Committee who shall signify their formal approval. The approval shall be noted in the minutes.
- 16.3. The procedure shall include all accounts which are to be kept at a recognised financial institution in the name of the Association and operated by any two of the elected members of the Committee.
- 16.4. The Treasurer shall at least quarterly check the financial state of the Association so that the members of the Committee may be apprised of the position.
- 16.5. All cheques shall be signed in accordance with procedures laid down by the members of the Committee from time to time.
- 16.6. The income and property of the Association whence-so ever derived shall be applied solely towards the promotion of its purpose and main object, and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus, or otherwise howsoever, to the members of the Association or to its controlling or controlled Association.

17. ACCOUNTING RECORDS

- 17.1. The Treasurer shall cause to be kept such accounting records as are necessary in order to fairly present the state of affairs and business of the

Association and to explain the state of affairs and business position of its trade or business.

- 17.2. The accounting records shall be kept at the registered office of the Association or at such other place or places as the members of the Committee think fit, and shall always be open to inspection by the members of the Committee.

18. ANNUAL FINANCIAL STATEMENTS

- 18.1. The members of the Committee shall from time to time, cause to be prepared and laid before the Association in general meeting such annual financial statements as are referred to.
- 18.2. Not less than 21 days before the date of the annual general meeting, copies of any financial statements which are to be laid before such meeting, shall be sent to every member of the Association.

19. RESERVES

The members of the Committee shall set aside and carry to a reserve fund all the net profits of the Association, which may at their discretion be applied for any purpose for which the net profits of the Association may properly be applied in such manner as the members of the Committee deem fit

20. THE AUDITOR

An Auditor may be appointed from time to time to verify and give an opinion as to the correctness of the financial records.

21. INDEMNITIES

No member of the Committee, officer, member or employee of the Association shall be liable for the acts, receipts, neglects or defaults of any other member of the Committee, officer, member or employee or for joining in any receipt or other act for conformity, or for loss or expense happening to the Association through the insufficiency or deficiency of any security in or upon which any of the moneys of the Association shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or delictual acts of any persons with whom any moneys, securities or effects shall be deposited, or for any loss or damage occasioned by any error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever, which shall happen in the execution of the duties of his office, or in relation thereto, unless the same happen through his own wrongful act, negligence, default, breach of duty or breach of trust.

22. WINDING UP

- 22.1. The winding up of the Association by the members shall only be carried into effect after two thirds of the members have supported the motion at a special meeting.

- 22.2. Upon its winding-up, or dissolution, the assets of the Association remaining after the satisfaction of all its liabilities shall be given or transferred to some other non-profit association or institution having objects similar to its main object, to be determined by the members of the Association at or before the time of its dissolution.