



**STOCKBROKERS AND FINANCIAL ADVISERS ASSOCIATION LIMITED  
ACN 089 767 706**

**19<sup>th</sup> ANNUAL GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

The purpose of this Explanatory Memorandum (which is included in and forms part of the Notice of General Meeting dated 30 October 2018) is to provide members with an explanation of the Special Resolution to be proposed and considered at the Annual General Meeting on 22 November 2018 and to allow members to determine how they wish to vote on the resolutions.

**Special Resolution 1**

At present, Clause 70 of the Constitution is as follows:

70. *A resolution in writing signed by all the Directors for the time being present in Australia (not being less required by Clause 64) shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted and may consist of several documents in the like form each signed by one or more of the Directors. A cable, telegram, facsimile transmission, electronic mail or other document produced or reproducible by mechanical means and bearing a signature of a Director printed with their authority by mechanical means shall be deemed to be a document in writing signed by the Director.*

Special Resolution 1 proposes that the Clause 70 be replaced by a new Clause 70 as follows:

- 70.1 *Subject to Clause 70.2, a resolution in writing signed by all the Directors for the time being present in Australia (not being less required by Clause 64) shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted and may consist of several documents in the like form each signed by one or more of the Directors. A cable, telegram, facsimile transmission, electronic mail or other document produced or reproducible by mechanical means and bearing a signature of a Director printed with their authority by mechanical means shall be deemed to be a document in writing signed by the Director.*

*70.2 Notwithstanding Clause 70.1, the company may send a circular resolution by email to the Directors and the Directors may agree to the resolution by sending a reply email to that effect, including the text of the resolution either in their reply or in the chain of emails in which the reply is contained.*

*70.3 A circular resolution is passed when the last director signs or otherwise agrees to the resolution in the manner set out in clause 70.1 or clause 70.2.*

Under the proposed new clause 70, clause 70.1 remains worded exactly as in the existing clause 70. However, clause 70.2 and 70.3 are new provisions.

The purpose of this Amendment to the Constitution is to enable some matters to be more expeditiously resolved by the Board by way of Circular Resolution by way of reply emails from members of the Board.

The Board recommends that Members support this Resolution.