

CONSTITUTION OF
FINANCIAL CENTRE ASSOCIATION OF
VANUATU

To come into effect as the Constitution of the
committee of

THE FINANCIAL CENTRE ASSOCIATION
OF VANUATU COMMITTEE (INC.)

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1. NAME AND REGISTERED OFFICE OF THE ASSOCIATION, TRANSITION

The name of the previously unincorporated association known as the Financial Centre Association of Vanuatu shall be THE FINANCIAL CENTRE ASSOCIATION OF VANUATU COMMITTEE (INC.) when incorporated under the Charitable Associations (Incorporation) Act.

The registered office of the association is located at 1276 Kumul Highway, 1st Floor Govant Building, Port Vila, Vanuatu.

The members of the previously unincorporated association become members of the incorporated association.

The Executive Committee members of the previously unincorporated association become Executive Committee members of the incorporated association.

The property held for the unincorporated association becomes the property of the incorporated association. The Executive Committee shall take such steps as are reasonably required to assume all liabilities of that previously unincorporated association.

2. PURPOSES AND GOALS

2.1. The association and its members embrace the spirit of the Constitution of the Republic of Vanuatu, the responsibilities and duties it endows on both Citizens and Residents, and the limitations on the roles and functions of Government. Accordingly, the association will pursue the following purposes and goals:

- a) To provide a forum for its Members for discussion and action on matters that affect the financial industry (both onshore and offshore) in Vanuatu for the purpose of promoting the interests of the financial industry.
- b) To establish Vanuatu as a financial center of the highest standard.
- c) To further improve the image and influence of the financial industry in Vanuatu by:
 - i. Representing Members on specific issues requiring industry focus,
 - ii. Developing with Members an industry position on major issues specifically affecting the financial industry in Vanuatu,
 - iii. Providing public and media commentary on industry issues where Direct Association input is required, and
 - iv. Liaising regularly with relevant government departments or statutory bodies.

2.2. The association may do all things that help it to achieve these purposes, in accordance with this Constitution.

2.3. The Executive may only do things and use the income and assets of the association for

the purposes aforementioned.

2.4. The association must not distribute any income or assets, directly or indirectly, to its members.

2.5. Section 2.4 does not preclude the Executive from doing the following things, provided they are done in good faith:

- a) Paying members for goods or services they have provided or expenses they have properly incurred at fair and reasonable rates or rates more favourable to the association, or
- b) Making a payment or providing a benefit to a member who carries out the association's charitable purposes.

3. INTERPRETATION

In this Constitution, unless the contrary intention appears:

“Executive” is defined in Clause 12.

“Executive member” means a member elected to the Executive.

“Days” means days on which domestic retail banks are open for business in Port Vila.

“Member(s)” means any member as defined in Section 8 Membership

4. POWERS

The association does not have the power of a legal person and may not acquire, hold, deal with and dispose of property or enter into contracts.

All assets held for the benefit of the association shall vest in the Executive for and on behalf of the Association.

All contracts made in writing by the Executive, whether required by law to be in writing or not, shall be validly made, varied or discharged if signed by not less than two Executive members.

5. FUNDS AND ASSETS

The Executive is authorized to receive funding, for the benefit of the association, from:

- a) Joining and annual membership fees;
- b) donations;
- c) grants;
- d) fundraising;
- e) interest; and

- f) any other lawful sources approved by the Executive that are consistent with furthering the association's purposes.

6. SUBSCRIPTIONS AND LEVIES

- 6.1 The annual subscription shall be set by the Members at the annual general meeting and is payable on or before one month after the annual general meeting.
- 6.2 New Members shall pay a first year pro-rata annual subscription for the period beginning on the first day of the month in which they become a Member and ending at the close of the financial year.
- 6.3 Additional sums may be levied on Members to meet specific expenditure requirements of the Association as and when the need arises and:
 - a) each Levy shall be determined by a majority vote of attending members at a special general meeting; and
 - b) the levy shall be payable by Members within the time frame set by the special general meeting.
- 6.4 Any Member whose subscriptions or levy are three (3) months in arrears shall cease to be a voting Member of the Association and not permitted to attend meetings of members if so decided by the Executive.

7. ACCOUNTING

- 7.1 The financial year of the association is from January 1 to December 31, unless the committee passes a resolution to change the financial year at a general meeting of members.
- 7.2 The Executive must make and keep written financial records that:
 - a) correctly record and explain the association's transactions and financial position and performance, and
 - b) enable true and fair financial statements to be prepared.
- 7.3 The Executive must keep written records that correctly record its operations and be able to produce those records if required by a member or by law.
- 7.4 The Executive members must take reasonable steps to ensure that the association's records are kept safe.

8. MEMBERSHIP

- 8.1 The membership of the association consists of individuals or bodies corporate who have

an interest and experience in the objects of the association and have applied for and been accepted pursuant to Act Section 8.3.

The number of members is unlimited.

8.2 Anyone (individuals and bodies corporate) who supports the purposes of the association and agrees to be bound by these rules can apply to join the association.

8.3 Membership applications/proposals are presented at members' general meetings. Approval or rejection of membership application is decided by majority vote of members in attendance and is reflected in Minutes of the meeting. If an application is rejected, the association does not have to give reasons.

8.4 The Executive can propose to set or change joining fees and membership fees for members. Joining and membership fee proposals must be approved by a majority of members voting at a general meeting.

8.5 If a member does not pay approved fees or levies when due, their membership may be suspended by the Executive. When membership is suspended, a member is not permitted to attend meetings of members exercise his/her members' rights such as voting at a general meeting. Suspensions are removed by payment of the outstanding fee or levy.

8.6 The Executive may recommend at a general meeting termination of a member's membership if the member:

- a) does not comply with the provisions of this Constitution; or
- b) has membership fees in arrears for at least six(6)months; or
- c) conducts himself or herself in away considered to be injurious or prejudicial to the character or interests of the association.

Before termination of a member's membership at a general meeting, the member must be given a full and fair opportunity to show why the membership should not be terminated. If, after considering all representations made by the member, the general meeting must decide by majority vote to terminate the membership. The secretary of the Executive must give the member a written notice of the decision.

8.7 A person immediately stops being a member if:

- a) his/her membership is terminated under section 8.6 above
- b) he/she resigns by writing to the Executive
- c) he/shedies(orupon dissolutionorwinding-upinthe caseofbodies corporate)
- d) he/she is sentenced for a crime (behaviour, either by act or omission, defined by statutory or common law as deserving punishment).

8.8 Joining and membership fees and levies already paid are not refundable.

9. REGISTER OF MEMBERS

9.1 Members' names and contact details (email address, phone and postal address) must be entered by the Executive in a register of members when membership is approved. A person becomes a member when his/her name is entered on the register.

9.2 The committee must record the date that a person stops being a member of the association in the register of members as soon as possible after the person stops being a member.

9.3 Members are obliged to notify the Executive in writing of any change in their details within thirty (30) days after the change.

10. MEMBERS' ACCESS TO DOCUMENTS

10.1 For lawful and proper purposes related to the association, a member may make reasonable requests to inspect at a reasonable time the:

- a) Rules of the association;
- b) contracts;
- c) general meeting minutes; and
- d) register of members.

10.2 A member may make reasonable requests for copies of the documents requested under Clause 10.1. The association can charge a reasonable fee for providing copies.

10.3 The association can refuse to provide access or copies, or provide only limited access, if the documents contain confidential, personal, employment, commercial or legal matters, or if granting the request would breach a law or could cause damage or harm to the association, or if the request is otherwise unreasonable.

11. CODE OF CONDUCT

11.1 All Members must subscribe to the Code of Conduct as set out in Appendix 1.

12. THE EXECUTIVE COMMITTEE

12.1 The association is governed by an Executive that is made up of members elected for a term of one (1) year (renewable) by a majority of the members voting at an annual general meeting. The role of the Executive is to ensure that the association is responsibly managed and pursue its purposes. The Executive is made up of a minimum of six (6) members.

The Executive must appoint and may remove members by majority vote to and from the following positions and decide their responsibilities in those roles:

- a) Chairman
- b) Vice Chairman

- c) Treasurer
- d) Secretary

12.2 A member can nominate to be on the Executive by writing to the committee or at a general meeting where an election for the committee is held. Another member must support his/her nomination.

To be eligible to be an Executive member, a person must be a member of or the representative of a member of the association at the time of his/her nomination, appointment, and for the duration of his/her time on the Executive.

If the number of eligible applicants nominated to be Executive members is equal to the number of vacancies, the positions are filled by the nominated members without holding a ballot.

Executive members stop being on the Executive if they:

- i. resign, by writing to the Executive;
- ii. stop being a member of the Association;
- iii. are removed by a resolution of members of the Association;
- iv. are absent without the consent of the Executive from all meetings of the Executive held during the last six(6) months;
- v. are found guilty of a crime.

If an Executive member stops being on the Executive before the next general meeting of members, the Executive can temporarily appoint a member, or a representative of a member of the association to fill the vacancy on the Executive until the next general meeting of members.

13. POWERS AND DUTIES OF THE EXECUTIVE

13.1 The Executive must exercise all powers and functions of the Association, except for powers and functions that the members are required to exercise at a general meeting and shall have if possible at least one representative of a bank, trust company, accountant, lawyer, insurance company (underwriter, agent or broker), currency dealer, investment advisor, and real estate representative.

13.2 Members of the Executive must:

- a) comply with their legal duties under the laws of the Republic of Vanuatu;
- b) exercise their powers and discharge their duties with the degree of care and diligence that a reasonable individual would exercise;
- c) act in good faith in the best interests of the association and to further the charitable purposes of the association;
- d) not misuse their position as a member of the Executive;
- e) not misuse information they gain in their role as a member of the Executive;
- f) disclose any perceived or actual material conflicts of interest;
- g) ensure that the financial affairs of the association are managed responsibly; and
- h) not allow the association to operate in the event of insolvency.

14. DUTIES OF SECRETARY

14.1 The Secretary of the Association must keep minutes of the resolutions and proceedings of each general meeting, each Executive meeting and each Member's meeting with a record of the names of persons present at the meetings.

14.2 As soon as practicable after each meeting the Secretary of the Association shall circulate copy of the minutes to all Members in good standing.

14.3 Except as otherwise provided in this Constitution, the Secretary shall keep in his or her custody or under his or her control all books, documents and securities of the Association.

15. DUTIES OF TREASURER

15.1 The Treasurer of the Association:

- a) Shall collect and receive all moneys due to the Association and make all payments authorised by the Executive, and
- b) Shall keep correct accounts and books showing the financial affairs of the Association with full details of all receipts and expenditure connected with the activities of the association.

15.2 The accounts and books referred to in sub-clause 15.1 shall be available for inspection by Members.

16. EXECUTIVE MEETINGS

16.1 Any Executive member can call a meeting by giving seven days' notice of a meeting to Executive members unless the meeting is an urgent meeting (in which case reasonable notice must be given).

16.2 The Executive can decide how often it meets, and the way in which it meets, including by allowing members to attend through technology, so long as it allows the members to simultaneously hear and see each other throughout the meeting.

16.3 The Chairman will chair Executive meetings. If the Chairman does not attend, the vice-Chairman will chair that meeting.

16.4 A resolution is passed if more than half of the Executive members voting at the meeting vote in favour of the resolution.

16.5 Fifty percent or more of Executive members must be present (either in person or

through the use of technology) for the meeting to be validly held.

16.6 The Executive can allow circular resolutions. To pass a circular resolution, each Executive member must agree to it in writing, including by email or other electronic communication, and it is passed once the last committee member has agreed to it.

16.7 The Executive shall appoint and remove members to represent the Association in government and private industry organisations.

16.8 The secretary must ensure full and accurate minutes of all questions, matters, resolutions and other proceedings of each Executive meeting are entered in a minute book.

17. GENERAL MEETINGS OF MEMBERS

17.1 The Executive shall at least once in each calendar year and within the period of 6 months after the expiration of each financial year, convene an annual general meeting of the members, at which it provides reports to members about the financial position, the activities of the association, and tables the annual account for the most recent year.

17.2 The Executive must call a general meeting if requested by a group of members making up at least 10% of members who are entitled to vote at general meetings. The requesting members must state in the request any resolution to be proposed at the meeting.

17.3 At least 50% of the members that are entitled to vote must be present at a general meeting (either in person, by proxy or through technology so long as it allows the members to simultaneously hear and see each other throughout the meeting) for a quorum and the meeting to be held.

17.4 Written notice of general meetings must be provided to all members at least seven (7) days before the meeting. Notice to members must be sent to the members' contact addresses listed on the register of members. Any notice of general meetings must include the meeting details, proposed issues to be discussed, supporting documents and resolutions to be moved at that meeting.

17.5 The Chairman will chair general meetings of members. If the Chairman does not attend, the vice-Chairman will chair that meeting.

The Chair is responsible for the conduct of all general meetings, and for this purpose must give members a reasonable opportunity to make comments and ask questions.

17.6 Each member or its representative has one vote. A resolution (other than a special resolution) is passed if more than half of the members present at a general meeting vote in favour of the resolution.

17.7 Votes may be held by a show of hands or written ballot, or another method that the Chair decides is fair and reasonable in the circumstances. Before the vote is taken, any member can request the vote be held by written ballot. If a vote of the members is tied, the Chair of the

meeting does not have an additional, deciding vote and shall declare that the motion has failed.

17.8 The Chair can adjourn the meeting if there are not enough members at the meeting within 30 minutes of the meeting start time. A new notice must be sent to members for the adjourned meeting but does not have to comply with time for notice requirements. At an adjourned meeting, a quorum of 25% of voting members is required.

17.9 The secretary must ensure full and accurate minutes of all questions, matters, resolutions and other proceedings of each general meeting are entered in a minute book.

17.10 There shall be a meeting of members scheduled for each month to discuss industry business, government legislation, domestic and international matters of interest to members.

18. DISPUTE RESOLUTION PROCESS

18.1 If there is a dispute about the operation of the Association between two or more voting members: the parties (the people who disagree) involved must first attempt to resolve the dispute between themselves within a period of at least 14 days from the date the dispute is known to all parties involved.

18.2 If the dispute cannot be resolved between the people involved, the Executive must be notified, and a dispute resolution process must be put in place by the Executive. The Executive shall develop a policy regarding dispute resolution.

18.3 A dispute resolution process must allow each party a reasonable opportunity to be heard and/or submit arguments in writing. If agreement cannot be reached, the Executive may appoint an unbiased person to decide the outcome of the dispute. The unbiased person may be a member, non-member or professional mediator who is not connected with the dispute or the people involved in it.

19. ALTERATION OF CONSTITUTION

This constitution (including the Code of Conduct in Appendix 1) may only be amended, repealed or added to by a special resolution (by 75% or more of the members voting) carried at a general meeting.

20. WINDING UP (DISSOLUTION)

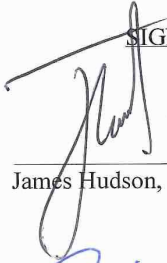
20.1 The association can be wound up by its members if by 75% or more of the attending members pass a special resolution to wind up the association at a general meeting.

20.2 If the association is wound up, after it has paid all debts and other liabilities (including the costs of winding up), any remaining assets:

- a) must not be distributed to the members or former members of the association:

- and
- b) must be distributed to another organization or other organizations with similar purposes, which is/are charitable at law, and which is/are not carried on for the profit or personal gain of members.

SIGNATURES



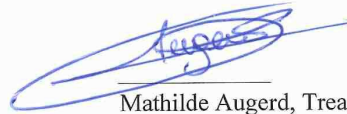
James Hudson, Chair



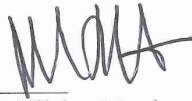
Francesca Grillo, Vice Chair



Gillian Aitapattu, Secretary



Mathilde Augerd, Treasurer



Martin St-Hilaire, Member



Ian Kerr, Member

APPENDIX 1

CONSTITUTION OF FINANCIAL CENTRE ASSOCIATION OF VANUATU CODE OF CONDUCT

Introduction

It is the Association's aim to develop Vanuatu as one of the premier financial centres. With that aim in mind this Code of Conduct has been prepared for use by members so that despite their different disciplines, they may operate their businesses in a consistent and ethical manner that benefits not only themselves but also their clients, fellow members generally and enhances the reputation of Vanuatu as a financial centre.

This Code seeks to establish a series of principles to which each member can subscribe regardless of their particular discipline. It is not the function of this Code to dictate precisely what each member must do in particular circumstances. Clearly, the obligations of a trust company or a financial institution or an accountant or lawyer are different and they each may well have different statutory duties. Nevertheless, we believe that there are some basic common ground rules that can be applied by all members of the Association.

1. ETHICAL STANDARDS

All members shall strive to promote the highest ethical standards in relation to conduct of their own and their clients affairs by adhering to the provisions of this Code, any relevant professional ethical standards and of the laws of Vanuatu.

Members are reminded that under the laws of Vanuatu they are under various obligations to assist the authorities in the identification and suppression of illegal activities, including but not limited to money laundering and terrorism.

2. CONFIDENTIALITY

A member shall not disclose information about a client or the client's affairs whether it be to other members or to third parties without the prior authority of the client, or are required by law to do so.

In the absence of express authority from the client, a member will only disclose matters relating to a client's affairs once the member is obliged to do so by a binding court order or other statutory obligation.

3. INTEGRITY

A member shall observe high standards of honesty, integrity and fairness in all dealings and shall not conduct themselves in any manner, which is likely to bring either themselves or the Association into disrepute.

4. SKILL, CARE AND DILIGENCE

A member shall act in a timely manner and with appropriate skill, care and diligence in the conduct of client affairs.

A member is also responsible for ensuring that the professional standards of the staff under his or her supervision are adequate to safeguard client affairs and shall take all reasonable steps to ensure that their staff are aware of these ethical rules and to comply with them.

5. INFORMATION FOR CLIENTS

A member shall take all appropriate steps to keep the client fully informed in a timely and appropriate manner as to any transactions undertaken on behalf of the client and as to any developments in professional practice and legislation relevant to the client's affairs.

6. CONFLICT OF INTEREST

A member shall use all reasonable endeavours to avoid any conflict or potential conflict of interest arising as between the member and the client or as between clients. A member must not unfairly place their own commercial interest above those of the client. Once a member becomes aware of any conflict or potential conflict the extent and nature of such conflict it must immediately be disclosed to the relevant parties.

In the event a conflict develops, it is acknowledged that it is best practice to cease to act for all the clients concerned but this may not always be possible. Where any transaction with a new client involves existing clients it is the duty of the member to advise the new client in writing of the possible conflict and how a conflict will be dealt with if it arises.

7. CLIENT ASSETS

Where a member or the member's organization is responsible for assets which belong to a client, the member must arrange for appropriate protection of the assets by way of segregation and identification or otherwise in accordance with the terms of responsibility which the member has accepted.

8. PROFESSIONAL PRACTICE

A member should treat fellow members with the utmost courtesy and fairness, and observe any relevant legislation code or rules applicable to himself/herself and the business.

In dealing with members whose business is a professional discipline other than the member's own, the member must extend the same courtesy and good manners to other members as would apply to fellow professionals.

9. FINANCIAL RESOURCES

Each member is expected to ensure that they maintain adequate financial resources or otherwise make adequate provision to meet their business commitments.

10. INTERNAL ORGANISATION

Each member shall organise their internal business affairs in responsible manner keeping appropriate and accurate records and ensure that their staff are adequately trained and supervised to ensure the requirements under this Code may be met by the member.

11. RELATIONS WITH REGULATORS

A member should deal with any regulatory authority in an open and co-operative manner so as to fully comply with any relevant Vanuatu legislation.

12. DISCIPLINARY PROCEEDINGS

In the event that in the reasonable opinion of members at a general meeting, a member is considered to have willfully repeatedly breached the Code of Conduct, the members present at the general meeting must take action in accordance with this Code of Conduct.

APPENDIX 2 (Clause 8)
FINANCIAL CENTRE ASSOCIATION OF VANUATU
NEW MEMBERSHIP RULES

A. Prerequisites of all applications.

1. A letter of application setting out
 - a. The reasons for wishing to join.
 - b. The industry group to which they belong.
 - c. The names and addresses of all ultimate beneficial owners, unless the applicant is publicly listed, and in such case a statement of that fact and the place (s) of listing.
 - d. The length of time the applicant has been established in Vanuatu.
2. A nomination from two existing Members, at least one of which has no contractual relationship to the applicant.
3. A copy of whatever Vanuatu Government license (s) the applicant holds, including any restrictions thereon.

B. Additional requirements for applicants who are banks.

1. Be registered under the Financial Institutions Act.
2. Establishment of a bona-fide track record and submission of latest audited balance sheet, or letter from the applicant's auditor setting out the paid up capital and total shareholder funds.
3. Receiving at majority vote in their favour from the Executive to be accepted as a members.

C. Additional requirements for applicants who are Trust or Insurance Companies, Insurance Brokers/Agents, or Investment Dealers/Advisors.

1. Be registered under the Companies and Trust Service Providers, Dealers Act, in Securities Act, the Insurance Act or the Prevention of Fraud (Investments) Act.
2. Submission of latest audited balance sheet if any, or letter from the applicant's auditor setting out the paid up capital and total shareholder funds.
3. Receiving a majority vote in favour of their application from the Executive.

D. Additional requirements for applicants who are lawyers or accountants.

1. Be holders of a current business licence as lawyers or accountants.
2. Receiving a majority vote in favour of their application from the Executive.

E. As a general rule, applicants should have not less than one full year's trading in Vanuatu. This rule may be waived for applicants which are a branch/subsidiary of or an associate company of a licensee or of a well known international organisation.

F. Applicants should not be granted membership if it is felt by the Executive that the applicant's primary purpose of applying for membership is to gain status for itself or its group of organisations.

APPENDIX 3 (Clause 8)
FINANCIAL CENTRE ASSOCIATION OF VANUATU
APPLICATION FOR MEMBERSHIP

I,.....
(Full name of Applicant)

of.....
(Address)

.....
desire to become a Member of the Financial Centre Association of Vanuatu.

.....
(Industry category per Clause 8)

In the event of my admission as a Member, I agree to be bound by the Articles of the Association (including the Code of Conduct) for the time being in force.

.....
Signature of Applicant

Date

I,.....a Member of the
Financial Centre Association of Vanuatu, nominate the Applicant, who is personally known to me,
for Membership of the Association.

.....
Signature of Proposer

Date.....

I,a Member of the
Financial Centre Association of Vanuatu, second the nomination of the Applicant, who is
personally known to me, for Membership of the Association.

.....
Signature of Seconder

Date.....

APPENDIX 4 (Clause 17)
FINANCIAL CENTRE ASSOCIATION OF VANUATU
FORM OF APPOINTMENT OF PROXY

I.....of.....
(Member Name) (Member Address)

being a Member of the Financial Centre Association of Vanuatu

hereby

appoint.....of.....
(Chairperson or Individual or Member Name) (Member Name and Address)

being a Member of the Association, as my proxy to vote for me on my behalf at the general meeting of the Association (annual general meeting or special general meeting, as the case may be) to be held on theday of.....20...and at any adjournment of that meeting.

My proxy may vote or abstain from voting as he or she wishes.

This proxy is only to take effect if
(Chairperson or Name of Individual or Name of Member)

is not personally in attendance at the general meeting.

Signed.....

Date.....

APPENDIX 5 (Clause 12)
FINANCIAL CENTRE ASSOCIATION OF VANUATU
NOMINATION FOR EXECUTIVE

We, _____ of _____
and _____ of _____
hereby nominate _____
of _____
to be a member of the Executive for the coming year.

CONSENT TO NOMINATION AND DECLARATION

I, _____, hereby consent to my nomination for a position on the Executive of the Financial Centre Association of Vanuatu (FCAV).

I acknowledge that if elected I am bound to act in the best interests of the FCAV as a whole, and accordingly, I hereby declare that:

- (a) I am not an office bearer of any other financial sector organisation;
or

I am an office bearer of the following financial sector organisations:

- (b) I agree to be bound by the FCAV Code of Conduct;
- (c) As soon as I become aware of any actual or potential conflict of interest between my duties as an Executive Committee member and my interests arising from any other activities I may engage in (including as an employee or in business on my own account), I will advise the Executive Committee that such conflict has arisen and such conflict will be dealt with in accordance with Clause 6 of the Code of Conduct.
- (d) During my period of office as an Executive Committee member, I undertake to advise the Executive of any appointment as an officer of any other like association, and I undertake to be bound by the provisions as to conflict set out in Clause 6 of the Code of Conduct.

Signed.....

Date.....