THE LORETO OLD SCHOLARS ASSOCIATION MARRYATVILLE INCORPORATED

RULES OF ASSOCIATION

Accepted by the Association on 18 February 2008
## CONTENTS

1 NAME ..................................................................................................................... 4
2 DEFINITIONS ........................................................................................................... 4
3 OBJECTS OF THE ASSOCIATION ........................................................................... 5
   3.1 The objects of the Association ........................................................................... 5
   3.2 Non Profit Clause ............................................................................................... 5
4 MEMBERSHIP .......................................................................................................... 6
   4.1 Eligibility ........................................................................................................... 6
   4.2 Annual and Life Membership Fees ...................................................................... 6
   4.3 Expulsion of a Member ...................................................................................... 6
   4.4 Details of Members ......................................................................................... 7
5 POWERS OF THE ASSOCIATION ........................................................................... 7
6 THE COMMITTEE ....................................................................................................... 7
   6.1 Powers and duties ............................................................................................. 7
   6.2 Appointment .................................................................................................... 8
   6.3 Sub Committees ............................................................................................... 9
   6.4 Proceedings of Committee .............................................................................. 9
   6.5 Minutes ............................................................................................................ 9
   6.6 President ......................................................................................................... 10
   6.7 Vice President ................................................................................................ 10
   6.8 Secretary ........................................................................................................ 10
   6.9 Treasurer ........................................................................................................ 10
   6.10 Seal ............................................................................................................... 11
7 OPERATING ACCOUNT ........................................................................................... 11
   7.1 Spending of money in Operating Account ..................................................... 11
8 INVESTMENT FUND ............................................................................................... 11
   8.1 Investment Fund ............................................................................................. 11
   8.2 Finance Sub-Committee ............................................................................... 11
   8.3 Income generated from Investment Fund ..................................................... 12
   8.4 Capital and Capital Gains ............................................................................. 12
   8.5 Taxation ........................................................................................................ 13
9 RELATIONSHIP WITH THE SCHOOL .................................................................. 13
10 FINANCIAL REPORTING ....................................................................................... 13
   10.1 Financial Year ............................................................................................... 13
   10.2 Accounts to be kept ..................................................................................... 13
   10.3 Accounts and reports to be laid before members ....................................... 13
   10.4 Appointment of Auditor ............................................................................. 13
11 ANNUAL GENERAL MEETING ............................................................................ 14
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.1  Holding Annual General Meetings</td>
<td>14</td>
</tr>
<tr>
<td>11.2  Business of an Annual General Meeting</td>
<td>14</td>
</tr>
<tr>
<td>12    SPECIAL GENERAL MEETINGS</td>
<td>14</td>
</tr>
<tr>
<td>12.1  Committee called Special General Meetings</td>
<td>14</td>
</tr>
<tr>
<td>12.2  Member called Special General Meetings</td>
<td>14</td>
</tr>
<tr>
<td>12.3  Business of Special General Meetings</td>
<td>15</td>
</tr>
<tr>
<td>13    NOTICE OF GENERAL MEETINGS</td>
<td>15</td>
</tr>
<tr>
<td>14    PROCEEDINGS AT GENERAL MEETINGS</td>
<td>15</td>
</tr>
<tr>
<td>15    VOTING AT GENERAL MEETINGS</td>
<td>16</td>
</tr>
<tr>
<td>16    ALTERATION OF THESE RULES</td>
<td>16</td>
</tr>
<tr>
<td>17    FEDERATION</td>
<td>16</td>
</tr>
<tr>
<td>18    WINDING UP</td>
<td>17</td>
</tr>
<tr>
<td>ANNEXURE A</td>
<td>18</td>
</tr>
<tr>
<td>ANNEXURE B</td>
<td>24</td>
</tr>
<tr>
<td>ANNEXURE C</td>
<td>26</td>
</tr>
</tbody>
</table>
RULES OF LORETO OLD SCHOLARS ASSOCIATION INCORPORATED MARRYATVILLE

1 NAME
The name of the incorporated association is THE LORETO OLD SCHOLARS ASSOCIATION INCORPORATED MARRYATVILLE referred to herein as “the Association”.

2 DEFINITIONS
"Act" means Associations Incorporation Act 1985 (SA).

"ADI accounts" means any account with an authorised deposit-taking institution (such as banks).

"Committee" means the general committee of the Association.

"Committee Members" means the Officer Bearers, the Nominees and the Ordinary Committee Members.

"General Meeting" means an Annual General Meeting or a Special General Meeting of Members convened in accordance with the Act and these Rules.

"IBVM" means the Institute of the Blessed Virgin Mary.

"Initial Capital" means the funds from the original scholarship fund, the Mary Crosby gift to the Association and the balance of the proceeds from the sale of the Grange Beach House in 2006.

"Investment Fund" means the fund described in Rule 8.1.

"Investment Income Account" means the account referred to in Rule 6.9(b).

"Loreto Federation" or "Federation" means the conference for Loreto Old Scholars, Australia wide, that focuses on current issues of social concern amongst the Loreto community.

"Member" means an Old Scholar who has paid an annual membership fee which is not overdue or a life membership fee.

"Month" means a calendar month.

"Nominees" means the nominee of the IBVM and the nominee of the Principal of the School.

"Officer Bearers" means the President, Vice-President, Secretary and Treasurer of the Association.

"Old Scholar" means any person who has attended any Loreto College or Convent.

"Operating Account" means the account referred to in Rule 6.9(a).
"Ordinary Committee Members" are members of the Committee that are not Office Bearers or Nominees.

"Register of Financial Members" means a data base of members maintained by the School.

"School" means Loreto College Marryatville.

"Special General Meeting" is a general meeting of Members other than the Annual General Meeting which has been called for a specific purpose.

"Special Resolution" means special resolution as defined in the Act as:

"A resolution passed at a duly convened General Meeting if:

(i) at least twenty one days written notice specifying the intention to propose resolution or special resolution has been given to all Members; and

(ii) is passed at a General Meeting by a majority of not less than three-quarters of such Members as being entitled to do so, vote in person or by proxy at that meeting."

3 OBJECTS OF THE ASSOCIATION

3.1 The objects of the Association

The objects of the Association are:

(a) to encourage a Loreto spirit amongst Old Scholars and bring Old Scholars into contact with one another, students and teachers of the School and the IBVM;

(b) to assist the achievement of the common aims and goals which the Association shares with the School, the IBVM and Mary Ward International (or such other equivalent body set up by the IBVM);

(c) to work for the advancement of higher education among women and their increased participation in the life of the Church and the Community;

(d) to provide scholarships for boarding and day scholars of the School;

(e) to raise funds and subscribe to any local or other charities and such social concerns as shall, from time to time, be agreed upon by the Committee;

(f) to acknowledge the contribution of the IBVM; and

(g) to promote and encourage participation, attendance and involvement by Old Scholars in Loreto Federation.

3.2 Non Profit Clause

The assets and income of the Association shall be applied solely in furtherance of its above mentioned objects and no portion shall be distributed, directed or indirectly to the
members of the Association except as bona fide compensation for services rendered or expenses incurred on behalf of and whilst representing the Association.

4 MEMBERSHIP

4.1 Eligibility

(a) Any Old Scholar shall be eligible to seek membership of the Association. Old Scholars only become Members once they have paid an annual or life membership fee.

(b) IBVM nuns shall be eligible to become honorary members of the Association.

4.2 Annual and Life Membership Fees

(a) Any Old Scholar may become a Member for a calendar year by paying the annual membership fee. The membership fees for annual membership shall be such amount as may be agreed upon by the Members from time to time in a General Meeting.

(b) The annual membership fees shall be payable on the 1st January each year or at such other time as the Committee shall determine.

(c) Any Old Scholar whose annual membership fee is outstanding for more than three months after the due date for payment shall cease to be a Member, provided always that the Committee may reinstate such a person’s membership on such terms as it thinks fit.

(d) Any Old Scholar may become a Member for life by paying the life membership fee. The membership fees for life membership shall be such amount as may be agreed upon by the Members from time to time in a General Meeting.

(e) IBVM nuns who become honorary members of the Association are not required to pay any Annual or Life Membership Fees.

4.3 Expulsion of a Member

(a) Subject to giving a Member an opportunity to be heard or to make a written submission, the Committee may resolve to expel a Member upon a charge of misconduct detrimental to the interests of the Association.

(b) Particulars of a charge shall be communicated to the Member at least one month before the meeting of the Committee at which the matter will be determined.

(c) The determination of the Committee shall be communicated to the Member, and in the event of an adverse determination the member shall, subject to 4.3(d) cease to be a Member fourteen days after the Committee has communicated its determination to the Member.

(d) It shall be open to a Member to appeal to the Association in general meeting against the expulsion. The intention to appeal should be communicated to the Secretary or Public Officer of the Association within fourteen days after the determination of the Committee has been communicated to any Member.
(e) In the event of an appeal under 4.3(d) above the appellant’s membership of the Association shall not be terminated unless the determination of the Committee to expel the Member is upheld by the Members in general meeting after the appellant has been heard by the Members and in such event membership will be terminated at the date of the general meeting at which determination of the Committee is upheld.

4.4 Details of Members

The School maintains the Register of Members. It is the Member’s responsibility to inform the School of any change to the Member’s personal details including change of name or address.

5 POWERS OF THE ASSOCIATION

For the purpose of carrying out its objects the Association may, subject to the Act and its Rules the Association:

(a) acquire, hold, deal with, and dispose of, any real or personal property;

(b) administer any property on trust;

(c) open and operate ADI accounts including but not limited to the Operating Account and the Investment Income Account;

(d) invest its monies in:

   (i) any security in which trust monies may by Act of Parliament, be invested; or

   (ii) any other manner authorised by the Rules of the Association including but not limited to the Investment Fund; and

(e) appoint agents to transact any business of the Association on its behalf; and

(f) enter into any other contract it considers necessary or desirable.

6 THE COMMITTEE

6.1 Powers and duties

(a) The affairs of the Association shall be managed and controlled by the Committee which in addition to any powers and authorities conferred by these Rules may exercise all such powers and do all such things as are within the objects of the Association, and are not by the Act or by these Rules required to be done by the Association in general meeting.

(b) The Committee has the management and control of the funds and other property of the Association.

(c) The Committee shall have the power to spend the income and capital from the Investment Fund in accordance with Rule 8.
(d) The Committee shall have the power to spend the Operating Account on such projects, activities or things that promote the objects of the Association. This includes, but is not limited to paying the expenses of Members and members of the Committee sent to Federation under Rule 17.

(e) The Committee shall have the authority to interpret the meaning of these Rules and any other matter relating to the affairs of the Association on which these Rules are silent.

(f) The Committee shall appoint a public officer as required by the Act.

6.2 Appointment

(a) The Committee shall be comprised of a:

(i) President;

(ii) Vice President;

(iii) Secretary;

(iv) Treasurer;

(v) nominee of the IBVM;

(vi) nominee of the Principal of the College; and

(vii) not more than ten Ordinary Committee Members,

and each member of the Committee shall have one vote except as provided for in Rule 6.4(b).

(b) A Committee Member shall be a natural person and a Member.

(c) The Ordinary Committee Members shall be elected in the manner hereinafter provided at the Annual General Meeting of the Association and shall hold office until the election of their successors at the next or succeeding Annual General Meeting as the case may be and they shall be eligible for re-election. A retiring Ordinary Committee Member shall be eligible to stand for re-election without nomination.

(d) The Office Bearers shall hold office for two years and shall not on the expiration of that term be then eligible for re-election save and except that:

(i) the President can be re-elected for a second term provided that she receives 75% of the votes of Members present at the Annual General Meeting; and

(ii) that all other Office Bearers may be re-elected on a majority vote of the Members present at the Annual General Meeting.

(e) The Nominees shall be nominated for whatever period their nominating body or person deems appropriate.
The Committee may appoint a Member to fill a casual vacancy of any of the Office Bearer or Ordinary Committee Member positions and such persons shall hold office until the next Annual General Meeting of the Association and shall be eligible for election to the Committee.

The President may, from time to time, request the services of any person to assist on the Committee, however such person shall not have voting rights until election.

6.3 Sub Committees

(a) The Committee may form a sub-Committee for a specific purpose. The members of a sub-Committee shall be appointed by the Committee and it is not necessary for members of a sub-Committee to be Members or Old Scholars.

(b) The Chairperson of every sub-committee must report all proceedings of the sub-committee to the Committee at such times as the Committee deems fit.

6.4 Proceedings of Committee

(a) The Committee shall meet once every month unless the Committee shall otherwise determine and at such time and place as it shall determine.

(b) Questions arising at any meeting of the Committee shall be decided by a majority of votes and in the event of equality of votes the chairperson shall have a casting vote in addition to a deliberative vote.

(c) A quorum for a meeting of the Committee shall be five members of the Committee.

(d) A special meeting of the Committee may be called by the Secretary at any time either at her own instance, or on the request of the President, or the written request of any two Members of the Committee.

(e) A member of the Committee having a direct or indirect pecuniary interest in a contract or proposed contract with the Association must disclose the nature and extent of that interest to the Committee as required by the Act and shall not vote with respect to that contract or proposed contract. The member of the Committee must disclose the nature and extent of his or her interest in the contract at the next Annual General Meeting of the Association.

6.5 Minutes

(a) Proper minutes of all proceedings and General Meetings of the Association and of meetings of the Committee, shall be entered within one month after the relevant meeting in minute books kept for the purpose.

(b) The minutes kept pursuant to this rule must be confirmed by the Members or the members of the Committee (as relevant) at a subsequent meeting.

(c) The minutes kept pursuant to this Rule should be signed by the chairperson at the meeting at which the proceedings took place or by the chairperson of the next succeeding at which the minutes are confirmed.
(d) Where minutes are entered and signed they shall, until the contrary is proved, be evidence that the meeting was convened and duly held, that all proceedings held at the Committee meetings shall be deemed to have been duly held and that all appointments made at a meeting shall be deemed to be valid.

6.6 President
(a) The President shall preside over all Committee meetings and shall be an ex-officio member of any sub-Committees formed by the Committee.
(b) In the absence of the President and the Vice-President at a General Meeting or a meeting of the Committee the Members present shall elect a person to preside over the meeting who shall be the Chairperson for the meeting.

6.7 Vice President
(a) The Vice President shall monitor the Committee's compliance with the objects and guidelines of the Rules of the Association and the Investment Policy in Annexure “A” to these Rules.
(b) The Vice President shall report to the Committee at the last committee meeting held prior to the Annual General Meeting.

6.8 Secretary
The Secretary shall:
(a) conduct and receive correspondence and the business of the Association;
(b) prepare agendas and give notices of meetings and special meetings as required by these rules;
(c) keep a correct record of the proceedings of all meetings of the Association and the Committee and the attendances of members at Committee meetings;
(d) shall be appointed the Public Officer of the Association and hold all documentation as required by the Act save and except the Financial Records which shall be retained by the Treasurer.

6.9 Treasurer
(a) The Treasurer shall deposit into an ADI account in the name of the Association with such bank as the Committee may direct, all monies received by her from subscriptions including life and annual memberships, activities of the Association and fund raising of the Association and such account shall be known as the Operating Account.
(b) The Treasurer shall deposit into an ADI account in the name of the Association with such bank as the Committee may direct, all monies received by her as income generated from the Investment Fund and such account shall be known as the Investment Income Account.
(c) The Operating Account and the Investment Income Account shall not be drawn upon except by cheque duly signed by two Office Bearers or such other method as may be approved by Special Resolution.

(d) The Treasurer shall in conjunction with the School keep a register of Old Scholars showing:

(i) Members who have paid annual membership fees;
(ii) Members who have paid life membership fees; and
(iii) Committee members.

(e) The Treasurer shall keep such other books of account as shall be necessary.

6.10 Seal

(a) The Association shall have a common seal upon which its corporate name will appear in legible characters.

(b) The seal shall not be used without the express authorisation of the Committee, and every use of the seal shall be recorded in the Minute Book of the Association. The affixing of the seal shall be witnessed by two Office Bearers.

7 OPERATING ACCOUNT

7.1 Spending of money in Operating Account

(a) The Committee must pay an amount of $3,000.00 (plus CPI increases assessed annually from 1 July 2007) annually to the IBVM to fund the recreational activities of their South Australian members until such other arrangement is agreed to between the IBVM and the Association from the Operating Account or such other account as approved by Special Resolution.

(b) The Committee may spend the money in the Operating Account on:

(i) the running costs of the Association and any projects aimed at the continuing development of the Association in accordance with its objects; and

(ii) any other purpose that the Committee deems consistent with the objects of the Association.

8 INVESTMENT FUND

8.1 Investment Fund

The Investment Fund is made up of the Initial Capital and such amounts the Committee or Members decide to contribute from the Operating Account from time to time.

8.2 Finance Sub-Committee

The Committee shall appoint suitable persons to the Finance Sub-Committee to oversee the management and investment of the Investment Fund. The Finance Sub-
Committee must perform this role in accordance with the Investment Policy in Annexure A to these Rules. The Investment Policy may be amended by a special resolution of the Committee at a meeting of the Committee. The Finance Sub-Committee must have at least 2 members and no more than 3 members and those members must appoint a chair who is a Committee Member and must report at least quarterly to the Committee.

8.3 Income generated from Investment Fund

(a) The Committee has the power to spend the income generated from the Investment Fund on such matters specified in this sub-Rule provided the procedure outlined in this Rule 8.3 is followed.

(b) Any income generated by the Investment Fund is to be deposited into the Investment Income Account.

(c) The Committee may spend the income generated from the Investment Fund on:

(i) projects that promote issues of social concern including but not limited to the work of Mary Ward International (or such other equivalent body set up by the IBVM);

(ii) scholarships for day or boarding students of the School; and

(iii) such things as the Committee deems fit being consistent with the objects of the Association.

(d) The procedure the Committee must follow when spending the income generated from the Investment Fund is:

(i) the Committee must call for submissions from interested persons on or before 30 June each year; and

(ii) the Committee must consider each of the submissions at the next Committee meeting following receipt of such submissions, provided that the Committee is not obliged to spend all of the income generated from the Investment Fund at that meeting.

(e) The Committee is not required to spend all of the income generated from the Investment Fund during any calendar year. The Committee may determine, if it sees fit, to invest any surplus income generated from the Investment Fund back into the Investment Fund. In addition, at any time, the Finance sub-committee may request that the Committee re-invest any or all of the surplus income. The Committee must consider such a request at its next Committee meeting following receipt of such a request.

8.4 Capital and Capital Gains

The Committee may only spend the Initial Capital and/or any capital gains from the Investment Fund after:

(a) consultation with a suitably qualified Investment Advisor, Financial Planner or Chartered Accountant; and
(b) a resolution is passed by a majority of not less than three quarters of such Committee Members as are present at a meeting of the Committee approving the expenditure; and

(c) a Special Resolution is passed at a General Meeting approving the expenditure.

8.5 Taxation

When spending the income capital or capital gains generated from the Investment Fund the Old Scholars, after identifying the relevant cause they wish to support, must use their best endeavours to make the payment in a way that minimises income tax. To assist the Committee in doing this, the Committee may adopt appropriate policies and procedures from time to time.

9 RELATIONSHIP WITH THE SCHOOL

The Association and the School are committed to working together to achieve their common goals and objects. As a result, the Association and the School have signed and are committed to the General Memorandum of Understanding attached in Annexure B and the Beach House Memorandum of Understanding in Annexure C.

10 FINANCIAL REPORTING

10.1 Financial Year

The financial year of the Association shall close on the 30th day of June of each year.

10.2 Accounts to be kept

The Association shall keep and retain such accounting records as are necessary to correctly record and explain the financial transactions and financial position of the Association in accordance with the Act.

10.3 Accounts and reports to be laid before members

The accounts together with the Auditor’s Report on the accounts, the Treasurer’s Statement and the Treasurer’s Report shall be laid before members at the Annual General Meeting.

10.4 Appointment of Auditor

(a) At each Annual General Meeting the members shall appoint a person to be auditor of the Association.

(b) The auditor shall hold office until the next Annual General Meeting and is eligible for re-appointment.

(c) If an appointment is not made at an Annual General Meeting the Committee shall appoint an auditor for the current financial year.
11 ANNUAL GENERAL MEETING

11.1 Holding Annual General Meetings
(a) The Committee must call at least one general meeting of Members, in accordance with the Act and these Rules, each calendar year which shall be known as the Annual General Meeting.
(b) The Annual General Meeting shall be held within nine months after the end of the Association's financial year.

11.2 Business of an Annual General Meeting
The order of the business at the Annual General Meeting shall be:-
(a) confirmation of the minutes of the previous Annual General Meeting and of any Special General Meeting held since that meeting;
(b) the President's Report which must include details of the Committee's activities and how the income from the Investment Fund was allocated during the previous calendar year;
(c) the Treasurer's Report considering the accounts of the Association;
(d) the Auditor's Report (if auditor's report is required);
(e) the Finance Sub-Committee Report on the financial performance of the Investment Fund over the past financial year of the Association;
(f) the Federation Liaison Officer report on Federation and the promotion of Federation amongst Old Scholars;
(g) the election of Committee members;
(h) the appointment of auditors; and
(i) any other business requiring consideration by the Association in general meeting.

12 SPECIAL GENERAL MEETINGS

12.1 Committee called Special General Meetings
The Committee may call a Special General Meeting of the Association at any time.

12.2 Member called Special General Meetings
(a) Upon a requisition in writing of not less than ten members, the Committee shall within one month of the receipt of the requisition, convene a Special General Meeting for the purpose specified in the requisition.
(b) Every requisition for a Special General Meeting shall be signed by the relevant members and shall state the purpose of the meeting.
(c) If a Special General Meeting does not convene within one month, as required by Rule 12 hereof, the requisitionists or at least 50% of their number may convene a special general meeting. Such a meeting shall be convened in the same manner as nearly as practicable as a meeting convened by the Committee and for this purpose the Committee shall ensure that the requisitionists are supplied free of charge with particulars of the members entitled to receive a notice of meeting. The reasonable expenses of convening and conducting such a meeting shall be borne by the Association.

12.3 Business of Special General Meetings

It shall not be competent for any Special General Meeting to entertain or transact any business except such as shall be specified in the notice of the meeting.

13 NOTICE OF GENERAL MEETINGS

(a) Subject to Rule 13(b) at least fourteen days notice of any General Meeting shall be given to Members. The notice is to set out where and when the meeting is to be held, and particulars of the nature and order of the business to be transacted at the meeting.

(b) Notice of a General Meeting at which a Special Resolution is to be proposed shall be given at least twenty one days prior to the date of the meeting.

(c) A notice may be given by the Association to any member by serving the person:-

(i) with a notice personally; or

(ii) by sending it by post to the address appearing in the Register of Members; or

(iii) by email transmission to the Member’s email address; or

(iv) by notice in the publication “From The Acacias”; or

(v) notice by post or the Acacias will be taken to have been effected on the second clear business day after the letter or packet was posted.

(d) Notice by email will be taken to have been effected by proof of receipt of transmission which is when the recipient sends a receipt of the transmission. If that receipt is sent after 5:00pm on any business day it is deemed not to have been received until 9:00am on the following business day.

14 PROCEEDINGS AT GENERAL MEETINGS

(a) Twenty members, present personally, shall constitute a quorum for the transaction of business at any General Meeting.

(b) If within thirty minutes after the time appointed for the General Meeting a quorum of Members is not present, the meeting convened upon the requisition of members shall lapse. In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place and, if at such
adjourned meeting a quorum is not present within thirty minutes of the time
appointed for the meeting, the Members present shall form a quorum.

(c) Subject to Rule 14(d) the President shall preside as chairperson at a General
Meeting of the Association.

(d) If the President is not present within five minutes after the time appointed for
holding the General Meeting, or she is present but declines to take or retires from
the chair, the members may choose a Committee member or one of their own
number to be the chairperson of that meeting.

15  VOTING AT GENERAL MEETINGS

(a) Subject to these Rules every Member has only one vote at a meeting of the
Association.

(b) Subject to these Rules a question for decision at a General Meeting, other than a
special resolution, must be determined by a majority of members who vote in
person at that meeting.

(c) Unless a poll is demanded by at least five Members a question for decision at a
General Meeting must be determined by a show of hands.

(d) At any General Meeting each member personally present shall be entitled to one
vote and, in the case of equality, the President or other Member presiding shall
have a second or casting vote. The IBVM nuns are entitled to vote at any
General Meeting.

(e) A member who resides outside the Metropolitan Area of Adelaide (or more than
50kms from the Adelaide GPO) shall be entitled to appoint in writing a natural
person who is also a Member to be their proxy and attend and vote at any
general meeting of the Association.

16  ALTERATION OF THESE RULES

These Rules may only be repealed or altered by Special Resolution.

17  FEDERATION

(a) The Committee shall appoint a delegate to attend on behalf of the Association at
the biennial meeting of the Loreto Federation of Australia.

(b) The Committee shall encourage an additional 3 members of the Committee and
4 Members to attend Federation. The Committee shall endeavour to support
these Members through reimbursement of their reasonable expenses from the
Operating Account and, if required, from the income generated from the
Investment Fund.

(c) The Committee shall require one of the Members who attends Federation with
the support of the Committee to be the Federation Liaison Officer for the 2 years
following the Federation that the Member attends. The Federation Liaison
Officer's role is to work with the Committee to promote and encourage
attendance at Federation amongst Old Scholars and to report on such promotions and Federation at the Annual General Meeting.

18 **WINDING UP**

The Association may be wound up in the manner provided for in the Act. If after the winding up of the Association there remains surplus assets as defined in the Act, such surplus assets shall be distributed to the School.
ANNEXURE A

Loreto Old Scholars' Association Incorporated, Marryatville

Investment Policy Document

This Investment Policy Document has been prepared by the Finance Sub Committee of the Loreto Old Scholars' Association Incorporated, Marryatville (The Association) to support the investment of funds available as a result of the sale of the Loreto Old Scholars' Beach House and additional funds that may be contributed in the future.

The Policy Document is divided into the following components:

- Portfolio management
- Portfolio administration and reporting
- Review process
- Cost

Portfolio Management

The process of managing the portfolio has been divided into various components. These components are designed to help provide structure, transparency and continuity. Importantly, they need to remain flexible and responsive to changing conditions and circumstances.

The document should provide a clear insight into the philosophy that supports the management of the portfolio.

Finance Sub Committee

A Finance Sub Committee of the Loreto Old Scholars' Association shall be formed with at least three members. Those members may be anyone deemed fit for such a role by the The Association but a preference will be given to financial members of The Association. Each member must nominate for a minimum term of two years. Each member may re-nominate at the end of those two years. The members of the Finance Sub Committee shall elect a Chairperson.

It is the responsibility of the Finance Sub Committee to oversee the management of The Association's investment funds. This includes the following:

- Monitoring and directing the activities of the appointed Investment Advisor.
- Responding to and approving all investment recommendations.
- Reporting back to The Association with sufficient information to enable the Association to report to members of the Loreto Old Scholars.
Decision Making Process

A decision making process that allows the Finance Sub Committee to respond quickly and efficiently to recommendations, while at the same time demonstrating transparency and accountability, is set out below:

- All recommendations must initially be presented to the Chairperson of the Finance Sub Committee. The Chairperson is then required to seek confirmation of the recommendation from at least one other member of the Finance Sub Committee.

- In the event the Chairperson is unavailable, any member of the Finance Sub Committee must then be approached. The member is then required to seek confirmation from at least one other member of the Finance Sub Committee.

- In the event that quick action needs to be taken and the confirmation process detailed above will delay this decision, a limited authority may be issued to any single member of the Finance Sub Committee. In those situations, the relevant member of the Finance Sub Committee will seek confirmation from a member of The Association (preferably an office bearer). Any decision made under these conditions is limited to a value of $30,000.

- Telephone calls, facsimile and email are all appropriate means of ratifying a decision of the Finance Sub Committee.

Investment Objective

The primary objective of the investment portfolio is to grow the capital and the income over the long term in a prudent manner.

A significant risk for the long term investor is inflation. A key consideration should, therefore, be to ensure that the real value of the portfolio is at least maintained.

The approach should also allow the Loreto Old Scholars Association sufficient liquidity to support the range of initiatives and activities desired by the members.

The intention is that the fund operate in perpetuity. Accordingly, only the income is to be employed to support the approved projects and programmes of the Loreto Old Scholars Association.

In the event that capital is required, members of the Loreto Old Scholars Association would need to be included in the decision in accordance with the constitution of the Loreto Old Scholars Association.

Risk Profile

It is the intention of the Loreto Old Scholars Association that the Finance Sub Committee act in a prudent manner.

A moderate-risk approach to the investment of the funds may be a useful way of describing the risk profile.
As a guide, a moderate investor could be described as someone comfortable with some volatility in their investments but who would not consider themselves a risk taker.

**Time Frame**

A longer investment time horizon allows a greater capacity to tolerate some degree of capital volatility over the short term.

A five year time horizon is a reasonable starting point when considering the suitability of investments. This will allow the Loreto Old Scholars Association to take a longer term view, behave more like an investor than a trader and tolerate short term fluctuations.

**Asset Allocation**

The particular asset allocation chosen reflects the objectives, tolerance for risk and time frame of the Loreto Old Scholars Association. While it should not be altered constantly, the asset allocation needs to be flexible and be able to adapt to changing circumstances.

The following division of assets has been agreed. At any particular point the Loreto Old Scholars Association may find itself either above or below this target allocation. Within an agreed tolerance, this should be acceptable (see “Investment Guidelines” for more discussion on this point).

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>5%</td>
</tr>
<tr>
<td>Fixed Interest</td>
<td>15%</td>
</tr>
<tr>
<td>Property</td>
<td>15%</td>
</tr>
<tr>
<td>Australian Shares</td>
<td>55%</td>
</tr>
<tr>
<td>International Shares</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

In determining this division the following characteristics of each asset class and the circumstances of the Loreto Old Scholars Association have been taken into account:

- The primary objective is to grow the income and the capital of the portfolio. To support this outcome it is proposed to invest 80% of the available funds in assets that have the potential to grow. Australian shares have, therefore, been favoured over fixed interest investments.

- Cash is employed for flexibility and liquidity. It is also risk free and an ideal place to preserve capital in uncertain times. Fixed interest investments are intended to generate a reliable return with yields in excess of cash. Cash and fixed interest reduce the volatility of the portfolio but are limited in their ability to provide a hedge against inflation. These asset classes have therefore been limited to 20%.

- The Old Scholars Association has determined that a moderate risk profile properly reflects the view of the Loreto Old Scholars. It has, therefore, sought to reduce volatility by favouring listed property trusts and Australian shares over international shares.

- Property is designed to deliver a growing income and capital appreciation. Traditionally, listed property investments have not been as volatile as shares but being more passive vehicles, have more modest aspirations.
• Australian shares represent one of the best income-generating investments for Australian investors. The combination of a relatively high dividend yield, steady medium term growth in dividends and franking credits is unique.

The price paid for this stronger income stream may be an increase in volatility in the capital in the short term. A five year plus time horizon tends to smooth this potential for volatility.

• International shares offer the opportunity to access faster growing regions of the world and industries not represented in Australia. International markets have the potential to perform well at different times to the Australian market and also offer a hedge against a falling Australian dollar.

Historically, international markets have been more volatile and produced lower and unfranked income. These aspects of international investing have been taken into account in framing the asset allocation.

**Investment Guidelines**

Investment guidelines are designed to provide structure and consistency across the portfolio. They help ensure that investment recommendations result in a meaningful contribution to performance and they also provide another layer of risk management.

Detailed below are guidelines that will assist the Finance Sub Committee in their task of managing the funds and broadcasting their intentions to The Association.

• With the exception of cash, the asset allocation may vary by up to 10% points from the agreed division (e.g. Australian shares may be as low as 45% or as high as 65%). Beyond these boundaries, the situation needs to be referred to The Association for discussion and ratification.

• No single investment must represent greater than 10% of the value of the portfolio.

• In the case of Australian shares, 80% of the portfolio must be represented in the ASX100 index (with the exception of listed investment companies).

• Any investment recommended needs to be supported by research (or there must, at least, be a commitment to research the investment e.g. an Initial Public Offering (IPO)).

• The ethical guidelines of the Institute of the Blessed Virgin Mary will guide ethical considerations. Equity and managed funds investments must not be in companies:
  
  o Which have policies that exploit their workforce, engage in the sex trade, or operate in such a way as to deprive individuals of their human rights.
  o Involved in the production of armaments or landmines.
  o Involved in the wanton destruction of life or the environment.
  o Substantially involved in exploitative gambling i.e. casinos.
  o Substantially involved in the tobacco industry.
• The Association may at any time direct that shares be sold on ethical grounds regardless of the financial performance of the relevant company.

• Exceptions to these guidelines may only exist if ratified by The Association.

**Administration and Reporting**

It is agreed that a professional portfolio management service be employed to manage the administration and reporting.

It is agreed that the Macquarie Investment Management Premium Portfolio Service be used for this purpose. This arrangement may be discontinued in the future with one month's notice by a letter from The Association signed by the President and Treasurer.

Macquarie's Premium Portfolio Service is designed to provide access to all their resources through a single wealth management platform. The service integrates the management of the portfolio with the administration and reporting.

The administration is carried out by the Macquarie custodian who is responsible for the settlement of all transactions, the handling of all correspondence, the collection and receipt of all income and record keeping. It is the responsibility of the custodian to alert the Finance Sub Committee to any corporate actions that may eventuate and to prepare and deliver the reports that form part of the service.

Over the course of the financial year, four quarterly reports and a final report in September/October that finalises the financial year for tax purposes will be prepared and presented. In addition, an annual report for the period 1 July to 30 June will be prepared to allow the Loreto Old Scholars Association to prepare their audited accounts.

The custodial service provides a framework for the on-going administration of the portfolio and leaves the Finance Sub Committee free to concentrate on the management of the portfolio and the investment decisions.

The service provides stability, continuity and transparency for an organisation that has no permanent staff and over time will see changes to membership of The Association and the Finance Sub Committee.

**Review Process**

The structure proposed is intended to reflect the best interpretation of how to meet the needs for income, security and growth of the assets of the Loreto Old Scholars Association. Inevitably, conditions change and opportunities present themselves. The Loreto Old Scholars Association needs to be able to adjust the portfolio to take account of these changes and opportunities.

A review process is, therefore, essential and this is greatly enhanced by the Premium Portfolio Service.

As part of the Premium Portfolio Service, comprehensive quarterly reports are prepared. These reports will include the following elements:
• A summary of the current portfolio;
• Full performance reporting;
• A record of the realized and unrealized profits/losses in the portfolio;
• A record of the income received.

The comprehensive administration provided by the Premium Portfolio Service and the reports produced will deliver better information and the freedom to focus on the structure and performance of the portfolio.

To facilitate this review, it is agreed that the Finance Sub Committee will meet half yearly with a complete review conducted annually with The Association.

Cost

The Premium Portfolio Service charges an annual fee, billed monthly and based on the value of the portfolio. Full details are contained in the agreement but in summary the annual fee is based on the following schedule:

First $300,000 @ 1.60% (incl GST)
Next $700,000 @ 1.10% (incl GST)
Above $1 million @ 0.70% (incl GST)

Each year the Loreto Old Scholars Association will be entitled to unlimited free trades.

Conclusion

The Investment Policy Document described above is aimed to provide an explanation of how the Loreto Old Scholars Association intends to approach the investment of the funds available.

It has outlined a proposed approach to managing the investment portfolio, administration and reporting. It has also summarised the cost.

The Loreto Old Scholars Association has delegated the day to day management of the funds to the appointed Finance Sub Committee but remains in control of, and responsible for, the investment portfolio.

This report is the outcome of work conducted by the Loreto Old Scholars Association in conjunction with Nicholas Pyne of Macquarie Private Wealth. This document can be amended or changed in accordance with the Constitution of the Loreto Old Scholars Association.
ANNEXURE B
MEMORANDUM OF UNDERSTANDING - GENERAL

Loreto College Marryatville (School) and the Loreto Old Scholars’ Association Incorporated (Association) are committed to fostering a positive and supportive relationship in the pursuit of their common goals. Both the School and the Association are committed to promoting the advancement of women, promoting the spirit of the IBVM and raising awareness about the need for action regarding issues of social concern.

Through this joint commitment, the School and the Association want to build strong networks and relationships to ensure the wider Loreto Community is more interlinked.

The School and the Association view the joint commitments detailed in this memorandum of understanding as being very important to the success of the Association which is reliant on volunteers, especially as demands on volunteers' time continue to increase.

To achieve these goals the School will:
• cover the printing cost of the Association pages (4 in number) in the 'From the Acacias' magazine;
• provide administrative support to the Association by providing access to the resources in the Development Office;
• maintain a database of the contact details of all financial and non-financial members of the Association;
• support the Association as the primary seller of memorabilia and assist the Association in the promotion of sales of such memorabilia amongst the Loreto Community;
• allow the Development Office personnel to be the contact point for enquiries regarding the Association and its functions;
• In consultation with the Association, develop and maintain the Association’ web pages on the School website; and
• Do any other things as the Association and the School may agree.

To achieve these goals, both parties will endeavour to identify:
• opportunities to pursue joint initiatives; and
• marketing channels that can be used by both parties for mutual benefit.
This Memorandum of Understanding may only be changed by written agreement of both parties.

Signed for and on behalf of the School:

_____________________________  21/02/08
Principal

_____________________________  Date

Signed for and on behalf of the Association:

_____________________________  18/02/08
President

_____________________________
Date
ANNEXURE C
MEMORANDUM OF UNDERSTANDING REGARDING THE GRANGE BEACH HOUSE

Background

In October 2005, the Loreto Old Scholars’ Association Incorporated (Association) decided to sell the Beach House it owned at Grange.

In October 2006 the Beach House was sold for $1.25 million.

In February 2007 at the Annual General Meeting of the Association, the financial structure of the Association was reviewed (Restructure) at the same time as deciding how the proceeds from the Beach House sale would be distributed, which included a significant donation to the Next 100 Campaign of the School as detailed below.

This Memorandum of Understanding is a reflection of the increased communication and renewed commitment between the Association and the School to assist, support and complement each other as they work towards the common goal of promoting the advancement of women and pursuing issues of social concern.

Donation by the Association

The Association donated $680,000 to the Next 100 Campaign of the School. The $680,000 comprised of $600,000 from the proceeds of the sale of the Beach House and the further sum of $80,000 which was equal to the interest that would have been earned on the total proceeds from the sale of the Beach House if it had been invested in a fixed term deposit account until November 2007 (Donation).

The Donation was paid in two instalments. The first instalment of $640,000 was paid to the School on 22 May 2007. The second instalment of $40,000 was paid on 4 December 2007.

Undertakings by the Parties

The stage and audience areas in the Performing Arts Centre will be named the “Old Scholars’ Theatre”.

After 2007, the Association will no longer provide bursaries from income earned from life membership subscriptions. The School will be primarily responsible for providing financial scholarships and bursaries, except those referred to below.

The School will name all science and music scholarships awarded in the style ‘The Old Scholars [name of subject] Scholarship’. In addition, the Association, as part of the Restructure, intends to use some of the interest earned on the invested Beach House proceeds invested on certain scholarships that are identified on an annual basis as being required in the School.
This memorandum of understanding can only be amended by written agreement between of both parties.

Signed for and on behalf of the School:

................................. .................................
Principal                      Date

Signed for and on behalf of the Association:

................................. .................................
President                     Date