

ASIA SECURITIES INDUSTRY AND FINANCIAL MARKETS ASSOCIATION
LIMITED

BY-LAWS

1. MISSION

- 1.1 **Goals.** The goals of the Asia Securities Industry and Financial Markets Association ("ASIFMA" or "Association") are:
- (i) to build consensus within the Asian securities and financial markets industry on issues material to the industry with a focus in particular on the growth and development of local and regional capital markets in Asia;
 - (ii) to mount reasonable and focused efforts to give effect to these positions by lobbying the appropriate domestic or international governmental, regulatory, legislative, or other bodies in Asia; and
 - (iii) to inform and educate the Asia securities and financial markets industry and related constituencies.

2. METHOD OF OPERATION

- 2.1 **Meet with Regulators, etc.** It is anticipated that members of ASIFMA and appropriate committees will meet with regulators and other relevant parties on a regular basis to develop a constructive dialogue that serves to improve industry appreciation for, and influence on, the development of legal, accounting, regulatory, capital, and other related issues.
- 2.2 **Inform members.** ASIFMA will regularly keep members informed of important ongoing issues and developments.
- 2.3 **Education programs.** ASIFMA will sponsor high level education programs that will be focused on serving participants in the Asian securities and financial markets.
- 2.4 **Co-ordinate with other associations and forums.** It is expected that ASIFMA and its divisions and forums will co-ordinate their activities, where appropriate, with other relevant local, regional and international industry advocacy groups and associations in order to act as a constructive force in the development of the region's securities and financial markets.

3. BOARD OF DIRECTORS

- 3.1 **Final authority.** The governing body, in whom all final authority shall reside for ASIFMA, subject to the Articles of Association and these By- Laws, will be the Board of Directors.
- 3.2 **Conduct of business and delegation.** The Board of Directors shall conduct its own business when in session and may delegate operational authority when not in session to the Executive Committee. Meetings may be conducted by the circulation of written materials or by teleconference, or by any other means as determined by the Chairperson.
- 3.3 **Number of members of Board of Directors.** The Board of Directors may from time to time decide by majority vote the maximum number of members of the Board of Directors.
- 3.4 **Board of Directors composition.** The following will be the composition of the Board.
- (i) ASIFMA full members of Categories A to B2 are entitled to appoint a member to the Board of Directors;
 - (ii) the Chairperson and two (2) Vice Chairpersons of ASIFMA's Asset Management Group are automatically members of the Board of Directors; and
 - (iii) four (4) to six (6) members shall be representative of ASIFMA full members of Categories B3 to B5 as put forward and approved by the Board of Directors on a two-year rotational basis; and
 - (iv) subject to Section 6.6, the Managing Director;
- 3.5 **Nomination of members of Board of Directors.** The member firm shall nominate an individual to be its representative Director ("**Board Director**") on the Board of Directors. For those members under categories described above in Article 3.4 (iii), the Board of Directors will review potential nominees for membership on the Board of Directors put forward by ASIFMA full members of Categories B3 to B5, the Board of Directors will vote on the nominees to be admitted to the Board of Directors.
- 3.6 **Role.** The Board of Directors shall advise upon the policy and strategic initiatives per the mission and objectives of ASIFMA and bring independent and external dimension and constructive comments on ASIFMA's operations complemented by skills and experience of the Directors. The Board of Directors shall also approve decisions including nominations, and other matters that the Executive Committee may propose around organizational matters.
- 3.7 **Term.** The term of each member of the Board of Directors shall be two (2) years, subject to the following:
- (i) the term of a member of the Board of Directors elected or appointed as an officer must automatically be extended to coincide with his term in such office; and
 - (ii) the term of a member of the Board of Directors shall end on the date his successor (if any) is elected and appointed as a Director;

The term of office of a member of the Board of Directors may be renewed.

- 3.8 **Representation on the Board of Directors.** The Board of Directors shall strive to ensure that membership of the Board of Directors shall be broadly representative of the various membership categories of ASIFMA and the geographical origins of the various members of ASIFMA.
- 3.9 **Consolidated institutions.** Consolidated institutions may fall into more than one (1) member category. Separate businesses within a consolidated group, if seeking membership in more than one (1) member category, will be required to pay dues separately. To ensure that diversity is maintained, no consolidated institution may hold more than two (2) positions on the Board of Directors.
- 3.10 **Representation of member firm.** Each individual elected to the Board of Directors will represent their respective member firm. If a member of the Board of Directors ceases to be employed by their member firm (the "Departed Director"):
- (i) the Departed Director shall cease to be a member of the Board of Directors with effect from the date of cessation of employment with his member firm.
 - (ii) the member firm previously represented by the Departed Director shall designate an individual (the "New Director") to replace the Departed Director on the Board of Directors. No pre-approval is required from the Executive Committee or the Board of Directors for the New Director.
 - (iii) the New Director shall replace the Departed Director on the Board of Directors, but the term of office of such New Director shall not exceed the remaining term of office of the Departed Director.
- 3.11 **Regular meetings and Ad Hoc Meetings.** The Board of Directors shall meet quarterly and may meet on such dates as are determined by the Chairperson or their designee. Meetings may be conducted in person, by the circulation of written materials or by teleconference, or by any other means as determined by the Chairperson. The presence (including by teleconference) of one-fourth (1/4) of the members of the Board at any meeting shall constitute a quorum for the transaction of business. The Chairperson will have the authority at the quarterly meetings to put forward motions for the Board to consider and put the motion to a vote. Other ad hoc interim meetings (including via teleconference) may be held as deemed necessary by the Chairperson or the Executive Committee.
- 3.12 **Removal.** The Board of Directors may remove a Director from the Board of Directors as provided in the Articles of Association and these By-laws. Failure of any member of the Board of Directors to attend, in person or by teleconference, more than 2 meetings of the Board of Directors in any fiscal year, may constitute sufficient cause for removal. ASIFMA allows for exceptions to non-attendance in special circumstances. Non-attendance must be reported to the Secretary as soon as practically possible in writing.
- 3.13 **Alternate Directors.** No member of the Board of Directors may appoint an alternate Director for attendance of meetings. Attendance by Board of Directors cannot be

delegated to or represented by other individuals at the member firm.

- 3.14 **Voting.** When the Board of Directors are called for a vote, voting shall be done on a majority basis. ASIFMA aims to achieve a consensus, however in circumstances where there is strong opposition by a minority of Board member firms, it is the Managing Director's responsibility to inform the Board of the opposition. A voting register will record the result of a particular action. In extraordinary circumstances, Board members can add to the minutes of the Board meetings their opposition to certain actions.
- 3.15 **Voting Process.** The Chairperson shall propose motions for a particular action or decision, which should be seconded by another director to indicate that it should be considered. The Board of Directors shall then discuss the motion, considering its implications and potential outcomes. The Chairperson shall then call for a vote. Any matter to be voted upon, except where otherwise specifically required, be approved by the affirmative votes of a majority of members of that committee present in person, by teleconference, by proxy or via written ballot. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairperson of the meeting shall be entitled to a second or casting vote.
- 3.16 **Instances Requiring a Board Vote.** Voting at a meeting of the Board of Directors shall be required in the following instances:
- (i) Approval of minutes: confirming the accuracy of the minutes from previous meetings.
 - (ii) Financial decisions: approving budgets, financial statements, and auditor reports.
 - (iii) Strategic Planning and Business Decisions: approving strategic plans, significant changes to business strategy, or the authorizing of significant business transactions, such as mergers, acquisitions, or sales of assets.
 - (iv) Policy adoption: implementing or amending corporate policies and procedures.
 - (v) Nomination and election of directors and officers: electing or appointing members to the Board of Directors, Officers of the Executive Committee, and other key personnel.
 - (vi) Compliance and legal matters: addressing matters involving ASIFMA as an organization to respond to or take legal action (in any jurisdiction).
 - (vii) Corporate governance: adopting or amending the By-laws, Articles of Association, and other governance documentation.
 - (viii) Conflicts of interest: addressing potential conflicts of interest.
 - (ix) Special resolutions: any other matters that require a formal resolution as stipulated by ASIFMA's By-laws.

4. EXECUTIVE COMMITTEE

4.1 **Chairperson.** The Chairperson of the Board of Directors will serve as Chairperson of the Executive Committee.

4.2 **Members.** The Executive Committee shall consist of up to eleven (11) members, including the following ex officio members:

- (i) the Chairperson of the Board of Directors;
- (ii) the Vice Chairperson(s) of the Board of Directors;
- (iii) the Treasurer; and
- (iv) the Managing Director.

The remaining members of the Executive Committee shall be appointed by the Board of Directors from amongst the full members of Categories A to B2 of the Board of Directors.

4.3 **Term.** The term of office of members of the Executive Committee, other than the Managing Director, shall be two (2) years, and may be re-elected or extended until such time as a successor has been appointed.

4.4 **Role.** The Executive Committee shall have full power to act for the Board during the periods between Board of Directors meetings, regarding matters which require prompt decision and are of such nature that it is not practicable or necessary to poll the Board of Directors, but shall not have power to amend these By-Laws (other than Section 7 hereof) or to act to fill vacancies on the Board of Directors or the Executive Committee. Such Executive Committee shall also act with respect to matters specifically delegated to it by the Board of Directors. These matters would include but not be limited to making recommendations and decisions to the Board regarding organizational matters for Board approval and evaluating the performance of the Managing Director based on the annual objectives set by the Board.

4.5 **Meetings.** The Executive Committee may meet on such dates as are determined by the Chairperson or their designee. Meetings may be conducted by the circulation of written materials or by teleconference, or by any other means as determined by the Chairperson. The presence (including by teleconference) of at least one-half (1/2) of the members of the Executive Committee at any meeting shall constitute a quorum for the transaction of business. In the absence or disqualification of a member of the Executive Committee, the members present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board of Directors designated by the Chairperson to act at the meeting in the place of any such absent or disqualified member. The Chairperson will have the authority at meetings to put forward motions for the Executive Committee to consider and put the motion to a vote. All meetings shall be conducted with minutes recorded.

4.6 **Cessation of Representation.** If a member of the Executive Committee ceases to be employed by his member firm (the "Departed Director"):

- (i) The Departed Director shall cease to be a member of the Executive Committee with

effect from the date of cessation of employment with his member firm.

- (ii) Pursuant to By-law Section 3.10 (ii), an individual designated by the member firm previously represented by the Departed Director shall replace the Departed Director on the Board of Directors. The vacancy on the Executive Committee shall be appointed by the Board of Directors, from amongst the members of the Board of Directors.

5. OTHER COMMITTEES

5.1 **Audit and Finance Committee.** There shall be an Audit and Finance Committee of the Board of Directors.

- (i) **Membership.** The Audit and Finance Committee shall be comprised of ASIFMA's Executive Committee (or a subset thereof), the Treasurer, and such other financial professionals from member firms as the Board of Directors may approve. The Treasurer shall be the chair of the Audit and Finance Committee
- (ii) **Role.** The Audit and Finance Committee shall be responsible for audit and finance activities to ensure compliance with local financial requirements and policies. These activities would include but not be limited to the review and recommendation for approval to the Board of Directors of the annual budget and the review and sign-off on annual audit reports.

5.2 **Remuneration Committee.** There shall be a Remuneration Committee of the Board of Directors.

- (i) **Membership.** The Remuneration Committee shall be comprised of ASIFMA's Executive Committee (or a subset thereof), and the Treasurer.
- (ii) **Role.** The Remuneration Committee shall oversee the annual staff salaries and bonuses and perform an annual salary and bonuses review for the Managing Director and staff.
- (iii) **Compensation decisions:** approving remuneration packages for executives and directors.

5.3 **Nomination to Public Interest Groups or Regulatory Organizations.** The Chairperson of the Board of Directors may from time to time as they may deem necessary or in the interests of ASIFMA appoint committees for the purpose of nominating, on behalf of ASIFMA, one or more persons to serve in an official capacity with a public interest group or a quasi-governmental regulatory organization. Any such committee so appointed shall be composed of at least three (3) members of the Board of Directors and the Chairperson of the Board of Directors shall jointly serve as an ex-officio member of the committee.

5.4 **Other Local or Regional Associations, Organizations or Committees.** The Board of Directors may make provisions for, establish procedures and conditions relating to, and approve ASIFMA's association with or admission to associate membership of any association, forum, research institute, country-specific industry groups or trade

organizations as well as other regional industry organizations that represent some or all of the participants in the local and regional securities and financial markets in Asia.

6. OFFICERS

6.1 **Officers.** The officers of ASIFMA shall be the Chairperson of the Board of Directors and a Vice Chairperson(s) of the Board of Directors, a Treasurer and a Secretary.

6.2 **Election of Chairperson and Appointment of Vice Chairperson(s).**

- (i) **Election of Chairperson.** The Board of Directors shall elect one (1) Chairperson from amongst the full members of the Board of Directors of member categories A to B2 only. Subject to Section 4.2, the candidate receiving the most votes from the members of the Board of Directors shall be elected Chairperson. In the event two (2) or more candidates receives the same number of votes, and no other candidate receives a higher number of votes, an additional vote shall be taken with only the candidates receiving the most votes in the previous round as candidates, and the candidate receiving the most votes in the second round shall be elected Chairperson.
- (ii) **Appointment of Vice Chairperson(s).** Subject to Section 4.2, the Board of Directors may nominate up to two (2) Vice Chairperson(s) from amongst the full members of the Board of Directors of member categories A to B2 only.
- (iii) **Term.** The term of office of the Chairperson and the Vice Chairperson(s) shall be no more than two (2) years, which may be extended until such time as a successor has been appointed. The term of office of the Chairperson and the Vice Chairperson(s) may be renewed once for a subsequent term up to two (2) years at the discretion of the Board of Directors. The election of Chairperson and Vice Chairperson shall occur in a manner that ensures the respective Chairperson and Vice Chairperson terms are staggered.
- (iv) **Role.** The principal duties of the Chairperson and Vice Chairperson(s) shall include:
 - i. Advise on policies and strategies to accomplish the goals of ASIFMA set forth in Section 1.
 - ii. Together, they will have all of the powers enumerated elsewhere in these By- Laws and in addition will lead the Board of Directors and the Executive Committee.
 - iii. The Chairperson shall preside at and serve as the chairperson of all meetings of the Board of Directors and the Executive Committee, the Annual General Meeting, and shall call meetings of any committee as necessary and appropriate, except as may otherwise be provided at the time any committee is established and from time to time.
 - iv. The Chairperson and Vice Chairperson(s) shall see that resolutions of the

Board of Directors and the Executive Committee are carried into effect, and shall ensure that the Memorandum and Articles of Association and these By-Laws are enforced.

- v. The Chairperson and Vice Chairperson(s) should have a broad understanding of and experience with the securities industry, and demonstrated leadership ability and experience with relevant trade or professional organizations and must be willing to devote the time necessary to carry out their responsibilities during their term.
- vi. The Vice Chairperson(s) shall act for the Chairperson and have such duties and powers as the Board of Directors shall specify from time to time, when the Chairperson role is vacant, or the Chairperson is unavailable or unable to fulfil the responsibility. If there are two Vice Chairpersons, then this duty shall be decided and agreed upon between them.

6.3 **Secretary.** The Chairperson has the authority to appoint and remove a Secretary, the individual is permitted to be an employee of the Association, and the Chairperson has the authority to define the duties performed by the secretary. The Secretary or their designee shall attend each meeting of the Board of Directors and Executive Committee. However, the Secretary shall not be a member of the Board of Directors and shall not have the power to vote at meetings of the Board of Directors or Executive Committee. The responsibilities of the Secretary shall include, in conjunction with the staff of ASIFMA:

- (i) the oversight of all records of meetings of the Board of Directors, the Executive Committee, and the members;
- (ii) recording or causing to be recorded the minutes of each meeting of the Board of Directors and the Executive Committee;
- (iii) the giving of required notices of general meetings and Board of Directors meetings; and
- (iv) performing such other duties as may be requested by the Chairperson, the Board of Directors or the Executive Committee.

6.4 **Treasurer.** Subject to Section 4.2, the Chairperson shall appoint and the Board shall approve a Treasurer from amongst the full members of the Board of Directors. The term of office of the Treasurer shall be two (2) years, which may be extended until such time as a successor has been appointed, and may be renewed. The Treasurer shall act in an advisory capacity as required below for the Audit and Finance committee. The primary responsibilities for the Treasurer are to dedicate four (4) to six (6) hours per year to:

- (i) review the annual budget prepared by ASIFMA staff. This generally takes place in June/July each year;
- (ii) present the Budget to the Executive Committee for them to validate at the Executive Committee meeting which usually takes place annually in August;
- (iii) present the validated Budget and obtain approval by the Board at the September

Board meeting;

- (iv) review the audited annual financial statements of ASIFMA, received around January / February each year; and
- (v) present the Audited Statements to the Board of Directors for approval, which usually takes place in March annually.

6.5 **Appointed Officers.** In furtherance of the interests and purposes of ASIFMA, the Board of Directors may appoint or authorize the appointment of a Managing Director and such other officers and employees as the Board of Directors shall from time to time specify. Such officers and employees shall be at-will employees holding office at the pleasure of the Board of Directors or for such terms as the Board of Directors shall designate. All officers and employees shall have the powers and duties designated from time to time by the Board of Directors, or by the Managing Director, as the case maybe.

6.6 **Managing Director.** The Managing Director shall be the Chief Executive Officer of ASIFMA and shall have such duties and powers as the Board of Directors shall specify from time to time. The Managing Director shall be eligible for election to the Board of Directors as an ex officio member, upon the approval of a majority of the Board of Directors. If so elected, the Managing Director shall serve as a Director at the pleasure of the Board or for such term as the Board shall designate and shall be entitled to attend all Board of Directors meetings and to vote on all matters considered at such meetings, subject to any limitations determined by the Chairperson to be appropriate. If the Managing Director is serving as a member of the Board of Directors at such time as the Managing Director resigns or is removed as an officer of ASIFMA, the Managing Director's term as a Director shall automatically terminate upon such resignation or removal.

7. COMMITTEES

7.1 **Committees.** The Executive Committee may establish and staff Committees, or suspend or terminate an existing Committee, from time to time as it sees fit.

7.2 **Amendment of Section 7.** The Executive Committee may amend any provision of this Section 7 by majority vote.

7.3 **Operating Procedures.** Each Committee shall have in place appropriate operating procedures which will provide for the general governance and operation of the Committee. Among other things, the operating procedures shall (i) provide procedures for the nomination and election of the Chairperson and Vice Chairperson(s) of the Committee, (ii) provide procedures for nomination and election of members of the Committee Governing Body and the term of office and number of such members, (iii) identify the committees which shall form part of the Committee and the manner in which the membership and leadership of such committees shall be determined.

7.4 **Establishment and staffing of special committees.** The Executive Committee

may establish and staff, and subsequently suspend or terminate, any other standing committees, special committees, ad hoc committees or task forces ("Special Committees") as it sees fit.

- 7.5 **Meetings.** Special Committees may meet at any time they may choose. Dates for such meetings will be set by the head of the relevant committee.

8. EMPLOYEES AND EMPLOYMENT MATTERS

- 8.1 **Staff.** ASIFMA will be supported by a dedicated, full-time professional and administrative staff at a level necessary to support and carry out its activities effectively and efficiently.
- 8.2 **Role of Managing Director.** The Managing Director will work directly with the Board of Directors, the Executive Committee and other committees of the Board and ASIFMA. The Managing Director will be responsible for implementing policies and strategies to accomplish the goals of ASIFMA set forth in Section 1, as well as developing and pursuing ASIFMA's various projects and initiatives to inform and educate members of the industry, liaise with regulatory and legislative officials, connect with the financial media, and otherwise engage with other internal and external constituencies regarding the function, needs and public policy benefits of further developing and strengthening of the securities markets in Asia.
- 8.3 **Responsibilities of the Managing Director.** The Managing Director shall be responsible for the administration and operation of ASIFMA, including membership recruitment and retention activities, budgeting and financial matters, internal and external communications, and related tasks and functions. As mentioned earlier, the Managing Director shall be the Chief Executive Officer of ASIFMA, shall report directly to the Chairperson, shall represent ASIFMA on behalf of the Board of Directors and the Executive Committee and shall have general and active management and control of the day-to-day business affairs of ASIFMA. The Managing Director is the designee of the Board of Directors and the Executive Committee, shall sign any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors or the Executive Committee has authorized to be executed (except where expressly delegated by the Board of Directors or the Executive Committee, or by statute to some other officer or agent) and in general shall perform such other duties and have such other authority and powers as the Board of Directors or the Executive Committee may from time to time prescribe.

9. NOTICES

- 9.1 **Waiver of Notice.** Whenever any notice is required to be given to any member, Director, officer or committee member of ASIFMA under the provision of any applicable law or these By-Laws, a waiver thereof in writing signed by the person entitled to such notice or given electronically, whether given before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

9.2 **Conflict of Interests.** Pursuant to Article 57 of the Articles of Association, the term "interest" shall include personal interest, interest as director, officer, member, stockholder, shareholder, partner, manager, trustee or beneficiary of any concern and having an immediate family member who holds such an interest in any concern. Introducing the term "concern" shall mean any corporation, association, trust, partnership, limited liability entity, firm, person or other entity other than the Association.

No member of the Board of Directors of the Association shall be disqualified from holding any office in the Association by reason of any interest in any concern. A member of the Board of Directors of the Association shall not be disqualified from voting or entering into any other transaction with the Association or with any entity of which the Association is an affiliate, provided:

- (i) the interest of such officer or director is not related to the vote on the relevant resolution or the relevant transaction, or;
- (ii) such interest is related to the vote on any resolution concerning a matter in which they have, directly or indirectly, an interest which is not material, and which does not conflict or may not conflict with the interests of the Association.

Other than as provided above, all members of the Board of Directors shall declare whether a potential conflict of interest exists, and if so, be disqualified from taking part in voting for any resolution in which a conflict of interest exists, and should recuse themselves from participation before a vote is taken.

10. MEMBERSHIP, BUDGET AND FINANCE

- 10.1 **Membership of ASIFMA.** Membership of ASIFMA will be open to all institutions active in Asia's securities industry, including dealers, banks, underwriters and other financial intermediaries, asset managers, investors, issuers, service providers, rating agencies, infrastructure providers, law firms and accountancy firms, subject to the sole and absolute discretion of the Board of Directors (or its designee) and the provisions of the Articles of Association and these By- laws.
- 10.2 **Admission of new members.** Nominated members are required to be vetted by the Executive Committee and approved by the Board of Directors prior to being admitted as a member of ASIFMA.
- 10.3 **Appropriate membership category.** ASIFMA, or its designee, may determine the appropriate membership category for an applicant, and whether an applicant should be admitted as a full member or an associate member. ASIFMA (or its designee) may request such information from the applicant as is reasonably required for it to determine the appropriate membership category for such applicant. If an applicant is eligible to be a full member, ASIFMA (or its designee) may admit such applicant as a full member notwithstanding a request by the applicant to be admitted an associate member.
- 10.4 **Membership Rights.** Membership by an institution shall entitle any and all of its professional employees to participate in ASIFMA's various divisions, forums and committees, subject only to the Terms of References of such division, forum or committee.

Professional employees of member firms are also entitled to attend ASIFMA conferences and other events at the member rate, attend the ASIFMA annual general meeting (voting is allowed for full members only) and generally participate in the activities of each of ASIFMA's divisions, forums and committees. The respective Committees may develop further membership criteria and benefits.

- 10.5 **Membership Categories and Dues.** Membership dues will vary according to organization size and scope of operations in the securities market in Asia. The Board of Directors may modify the dues levels and dues categories from time to time.
- 10.6 **Payment of dues.** The payment year shall be, unless otherwise determined by the Board of Directors, the fiscal year of ASIFMA.
- 10.7 **Suspension and termination of membership.** Pursuant to Article 24 of the Articles of Association, the Board of Directors/Managing Director may issue at the reasonable exercise of their discretion a written notice of suspension of membership to a member with immediate effect if payment of the membership fee has been overdue for thirty (30) days. The member shall not be entitled to attend any general meetings, and its nominees shall not be entitled to attend any meetings of the Board of Directors, or any divisional or committee meetings, until such time as the required amounts of membership dues have been fully paid. The member may make representations within the period of suspension to settle the overdue payment. For fees unpaid thirty (30) days after the date of the fee note, ASIFMA reserves the right to accrue a late payment charge of 1.5% per month (or, if less, the highest rate allowable by law) compounded monthly to the extent allowable by law.
- 10.8 **Annual membership.** Members' financial commitment to ASIFMA will be on an annual basis.
- 10.9 **Funding.** ASIFMA will be entirely self-funded through membership dues and other sources of revenue (such as educational conferences). However, SIFMA may choose, from time to time, to provide financial and other support to ASIFMA as SIFMA sees fit.
- 10.10 **Fiscal year.** The fiscal year of ASIFMA shall be from November 1 to October 31.

11. BY-LAWS

- 11.1 **Adoption.** These By-Laws shall come into effect when adopted by the Subscribers.
- 11.2 **Amendment.** These By-Laws may only be amended by a super-majority vote of three-fourths (3/4) of the members of the Board of Directors present in person, by teleconference, via proxy or by written ballot.
- 11.3 **Definitions.** Capitalized terms used in these By-Laws shall have the meanings given to them in the Memorandum and Articles of Association of ASIFMA, unless otherwise defined herein.

SCHEDULE I

1. CODE OF CONDUCT

The Board of Directors (“the Board”) of the Asia Securities Industry and Financial Markets Association (ASIFMA) has adopted the following code of conduct (code) for its Board of Directors (“Directors”) and committee members. This code is intended to focus on the ability of Board members and committee members to handle ASIFMA's business in a just and impartial manner so that ASIFMA's reputation will not be tarnished by dishonesty, impropriety, or corruption. This code sets out the expected standards of all Directors of the Board and committee members. In the case of any special circumstances that warrant special treatment deviating from this Code, specific approval from the Board of Directors shall be required.

2. GENERAL STANDARDS

Board members and committee members are expected to adhere to a high standard of ethical conduct and to act in accordance with ASIFMA's mission, core values and commitments. Board members or committee members shall not at any time do anything which may compromise or impair their integrity, impartiality, objectivity or ability to perform ASIFMA duties. A Director or committee member shall adhere to the spirit and the letter of this code.

2.1. Integrity

ASIFMA has a strong commitment to ethics and integrity and expects all employees and members of the Board of Directors to adhere to the highest ethical standards in the execution of their responsibilities to ASIFMA and its members. Integrity is the quality of being honest and having strong moral principles. The term has been described judicially as connoting “moral soundness, rectitude, and steady adherence to an ethical code”. It requires that members are impartial, independent, and informed. It is of paramount importance that the Board of Directors do not compromise professional or business judgments because of bias, conflict of interest or undue influence on others.

2.2. Confidentiality

During the course of your service with ASIFMA, Directors and committee members may acquire or be provided access to non-public information regarding ASIFMA or ASIFMA members’ trade practices, transactions, systems, marketing or strategic plans, fees and revenues, and other knowledge considered proprietary by ASIFMA or its members. They shall not disclose or use, either during or subsequent to their tenure, any such information they receive or develop during their tenure which is considered proprietary by ASIFMA or its members, except for authorized business purposes. If they possess confidential information, they have an important responsibility to keep that information confidential within ASIFMA, and to disclose such information only on a ‘need to know’ basis.

Directors or committee members must abide by the relevant regulations regarding the use of material non-public information.

If a Director or committee member learns of any non-public information regarding another member firm or transaction in the course of conducting ASIFMA-related duties, he or she shall treat that information in accordance with his or her firm’s policies on non-public information.

ASIFMA is a trade association, it is essential that internal discussions and work product of ASIFMA committees and other ASIFMA working groups will be maintained in confidence until such time as a decision

is made to share that information with a third party or that information is otherwise disclosed. Any wilful violation of this policy by an ASIFMA Director or committee member is a serious breach of their responsibilities and may result in disciplinary action, up to and including termination of their role with ASIFMA.

2.3. Prevention of Bribery

ASIFMA is a public body under the Prevention of Bribery Ordinance (Cap.201) (POBO). Directors and committee members of ASIFMA are public servants for the purpose of this ordinance. Directors and committee members are agents of ASIFMA governed under Sections 4,8,9 and 19 of the POBO Cap. 201 and further sections where appropriate. Directors and committee members are prohibited from offering, soliciting, or accepting any advantage when conducting ASIFMA business, whether in Hong Kong or elsewhere.