

Bylaws of the Incorporated Association of the International Academy of Financial Consumers (IAFICO) draft

March 31, 2015

April 19, 2016

Section 1 General Provisions

Article 1 (Official Name)

The official name of this academic society shall be the “International Academy of Financial Consumers (IAFICO hereafter)”.

Article 2 (Registered office and Branch offices)

The registered office is to be in Seoul, South Korea. Branch offices may be established in provincial cities in Korea or overseas should the need arise.

Section 2 Objectives and Undertakings

Article 3 (Objectives)

*Pending

The IAFICO is a non-profit association aiming at promoting and developing at an international level collaboration among its members for the study of various issues relating to financial consumers, including its education, legislation, creation of best practices, supervision, and policy advancement to contribute to the development of the global economy and financial market, through investigation or research into financial consumers, and other academic activities.

Article 4 (Undertakings)

The following activities shall be carried out in order to achieve the objectives of the IAFICO.

1. Publication of journal and other literature
2. Hosting of academic conferences
3. Additional undertakings corresponding to the objectives of the academic society which are deemed necessary at the board of directors meeting or the general meeting

Section 3 Membership

Article 5 (Requirements and Categories)

The IAFICO shall have following categories of membership:

① Individual member

Individual members are categorized further into a regular member or an associate member.

1. Regular member shall be a specialist in the area such as finance, consumer studies, economics, management, law, or education etc, and must be a full-time instructor at a domestic or overseas university, a researcher at a research institute with equivalent experience, or should hold equal credentials to those mentioned previously, and shall become its member by the approval of the board of directors. Regular members attend general meetings and may participate in discussions, hold the right to vote, and are eligible to be elected to a director or other status of the IAFICO.

2. Associate members shall be divided into either a student member, who is a current domestic or overseas graduate school student, or an ordinary member, who works for a financial institution or a related organization. Associate members do not hold the right to vote and are not eligible to be elected to a director or other status of IAFICO.

3. Both regular member and associate member must pay the membership fee to the IAFICO every year. 4. In the case that a decision is made by the Board of Directors to expel a member due to a violation of the objective of the society, or demeaning the society, or in the case that a member fails to pay the membership fees for two years continuously without prior notice, their membership shall be revoked.

② Institutional member

1. Institutional member shall be organizations related to financial consumers who do not damage the impartiality of the IAFICO subject to approval of the Board of Directors. Institutional members do not hold the right to vote and are not eligible for election.

2. Institutional member must pay its membership fee to the IAFICO every year.

Section 4 Organization

Article 6 (Designation of Board of Director)

The following Directors are designated to constitute the Board of Directors to run the IAFICO.

1. Chairperson
2. Vice-Chairperson
3. President
4. Vice-President
5. ordinary Directors
6. Auditor

Article 7 (Election of Board Members and Director)

- ① The Chairperson, Directors, and Auditors shall be elected or dismissed at the general meeting.
- ② Appointment of the Directors may be entrusted to the Chairperson pursuant to the resolution of the general meeting.
- ③ The Vice-Chairperson, President, and Vice-President shall be appointed and dismissed by the Board of Directors.

Article 8 (General Meetings)

- ① General meeting shall decide following matters relating to the activities of the IAFICO.
 1. Amendments to the Bylaws
 2. Approval of the budget and settlement of accounts
 3. Election or Dismissal of the Chairman
 4. Election or dismissal of Auditors
 5. Regulations concerning the duty and rights of members
 6. Resolutions regarding items submitted by the President or Board of Directors
 7. Other important matters
- ② The Chairperson must call a regular general meeting at least once a year and report on the undertakings of the IAFICO. Provisional general meetings may also be held by the call of the Chairperson, or at the request of at least a quarter of current regular members, or according to the resolution of the Board of Directors.
- ③ At a general meeting, a quorum is formed by one third of regular members. However, regular members who are not able to participate in the general meeting in person may be represented by proxy, by entrusting a specific regular member attending the general meeting with their attendance or voting right. In this case the letter of proxy is included in the number of attendees.
- ④ Resolutions at the general meeting will be made according to the majority vote of the attending members who hold the right to vote.

⑤ In principle, the general meeting shall be held with face-to-face meeting, however, it may be held web-based meeting when needed.

Article 9 (Auditors)

① The auditors shall audit financial affairs, accounts and other transactions of IAFICO, shall participate in, and may speak at board meeting, and must present an auditor's report at the regular general meeting.

② There shall be two appointed auditors.

③ Auditors are elected at the general meeting.

④ An auditor shall serve a term of two years and may be reappointed.

Article 10 (Board of Directors)

① The Board of directors shall be made up of chairperson and fewer than 80 directors.

② The Board of Directors shall decide a plan of operation and establish the budget, in addition to matters on the running of IAFICO.

Board meeting requires a quorum of at least one third of current board members. Resolutions at the Board meeting will be made according to the majority vote of the attending members. However, board members who are not able to participate in the board meeting in person may be represented by proxy, by entrusting another specific board member attending the board meeting with their attendance or voting right.

④ A board member shall serve a term of two years, with a possibility of serving consecutive terms.

⑤ A number of sub-committees or branches in each country or region may be set up under the Board of Directors to support the running of the IAFICO.

Article 11 (Steering Committee)

The Board of Directors may entrust some decisions relating to the conducting of business to the Steering Committee.

② The Steering Committee shall be comprised of the Chairperson, Vice-Chairperson, President, and the heads of each subcommittee.

③ Temporary task forces may be established by the Steering Committee when necessary to run the business of the Steering Committee.

Article 12 (Chairperson)

① The Chairperson shall represent the IAFICO and chair its general meeting and board meeting.

② There shall be one appointed Chairperson who serves a term of five years.

③ In the case of an accident involving the Chairperson, the Vice-Chairperson shall complete the remaining term of office of less than one year. **If it lasts longer than one year, a new Chairperson shall be elected at the general meeting.**

④ A new Chairperson should be elected at the general meeting one year prior to the end of the current Chairperson's term of office.

⑤ Should it be judged that it is difficult for the Chairperson to carry out their duty any longer, he or she may be dismissed from their post by the decision of the Board of Directors and general meeting.

Article 13 (Vice-Chairperson)

① The Vice-Chairperson shall assist the Chairperson, and serve as a member of the Board of Directors.

② The Vice-Chairperson shall serve a term of two years, or the remaining term of office of the Chairperson, whichever is shortest.

③ The Vice-Chairperson shall be elected from one of the regular members at a meeting of the Board of Directors, according to the recommendation of the Chairperson.

④ The Vice-Chairperson shall serve a term of two years and may be reappointed.

Article 14 (President)

- ① During its term of office, the President shall become the head of the organizing committee supervising international conferences, and serves for a term of one year. The President shall attend the board meeting as a member of the Board of Directors.
- ② The succeeding President shall be elected by the Board of Directors after considering their ability to organize and host the following year's conferences. The succeeding President shall also attend board meeting as a member of the Board of Directors.
- ③ The Board of Directors may elect the next succeeding President should the need arise. The next succeeding President shall also attend board meeting as a member of the Board of Directors.
- ④ The President, succeeding President, and the following President may appoint a Vice-President respectively by obtaining approval of the Board of Directors.
- ⑤ The appointment and dismissal of the President is decided at the board meeting.

Article 15 (Vice-President)

- ① A Vice-President is a member of the Board of Directors and shall assist the President, supervise applicable international conferences.
- ② A Vice-President is recommended by the President and shall be approved by the Board of Directors.
- ③ Multiple Vice-Presidents may be appointed.
- ④ A vice-President shall serve a term of one year, the same as the term of President.
- ⑤ In the event of an accident involving the President, a Vice-President shall fulfil the President's duties during the remaining term of office.

Article 16 (Editorial Board)

The Editorial Board shall be responsible for editing of journals and other materials to be published by the IAFC.

- ② The head of the Editorial Board shall be appointed by the Board of Directors, and shall serve a term of office decided by the Board of Directors.

- ③ The head of the Editorial Board shall be a member of the Board of Directors.
- ④ Additional matters concerning the running of the editorial board shall be decided separately by the Board of Directors.

Article 17 (Advisory Board and Consultants)

The Chairperson may select individuals who could make a large contribution to the development of the IAFICO, and appoint them as advisors subject to the approval of the Board of Directors.

- ② The Chairperson may appoint consultants subject to the approval of the Board of Directors in order to receive advice relating to all business matters of the IAFC, such as development strategies, conferences, research plans, and research projects etc.
- ③ Advisors and consultants shall serve terms of one year and may be reappointed.

Section 5 Financial Affairs

Article 18 (Accounting and Revenue)

- ① The fiscal year of the IAFICO shall run from the 1st of January to the 31st of December each year.
- ② The finance required to operate the IAFICO shall be sourced from membership fees, member contributions, society participation fees, and other incomes. Related matters shall be decided by the Board of Directors or the Steering Committee.
- ③ Should the need arise, the IAFICO may accept sponsored research, donations or financial support from external parties in order to support the business performance of the IAFICO. The Chairperson shall report the details of these at the board meeting

Chairperson should report all the donation from outside and their usage of the year at the IAFICO homepage by the end of March of the next accounting year.

Section 6 Supplementary Rules

Article 19 (Revision of the Bylaws)

- ① Any other matters not stipulated by this Bylaws shall be resolved by the Board of Directors.
- ② Revision of the Bylaws shall be carried out, by the proposition of the Board of Directors, or at least one-tenth of regular members, at a general meeting where at least one-third of the

total regular members are in attendance, or at a provisional general meeting, with the agreement of at least two-thirds of current members.

Article 20 (Dissolution)

Should the IAFICO intend to be dissolved, it must be decided upon at a general meeting with the agreement of at least two-thirds of current members, and permission must also be received from the Fair Trade Commission. Except for bankruptcy, the dissolution must be registered and reported to the Ministry of Strategy and Finance within three weeks, accompanied by a certified copy of register.

Article 21 (Residual Property upon Dissolution)

Should the IAFICO be dissolved, according to article 77 of the Korean civil law, all remaining assets of IAFC shall belong to the state, local government, or other non-profit corporations carrying similar objectives.

Additional Clause

These Bylaws shall become effective from the 1 April 2015.