

The Rules of the New Zealand Shareholders' Association Incorporated were altered at the Annual General Meeting of the Incorporated Society held at Tauranga on 17th August 2007. The alteration was effected by total replacement of the existing Rules, such new Rules being endorsed by the following applicant members;

Dated this day of October 2007

Applicant Members	Witnesses
1 Signature Full name Occupation Address	Signature Full name Occupation Address
2 Signature Full name Occupation Address	Signature Full name Occupation Address
3 Signature Full name Occupation Address	Signature Full name Occupation Address

RULES OF THE NEW ZEALAND SHAREHOLDERS' ASSOCIATION INC

1. Rules of the Association

1.1. The following are the rules of the New Zealand Shareholders' Association Incorporated ("the Association" and "NZSA").

2. Interpretation

2.1. Except where the context otherwise requires, these expressions have the following meanings:

2.1.1. "Advisers" means persons, firms or associations holding themselves out to be advisers to Issuers, Investors, or directors and specifically includes persons or firms providing legal and accounting advice, marketing and management consulting services, brokerage, and business services.

2.1.2. "Board" means the Board of the Association.

2.

- 2.1.3. "Branch" means any Branch of the NZSA established pursuant to these Rules.
- 2.1.4. "Issuer" means an entity:
listed on either (i) the New Zealand Stock Exchange or (ii) any other securities exchange entitled to operate in New Zealand, or (iii) any other securities exchange and seeking to or raising money from New Zealand residents, or
seeking or acquiring capital from New Zealand citizens.
- 2.1.5. "Director" means a person occupying the position of director of an Issuer by whatever name called, who with others or alone exercises or is entitled to exercise or direct the exercise of, or controls or is entitled to control or direct the Issuer.
- 2.1.6. "Investor" means any person that has paid money or provided value to an Issuer by way of intended contribution to the capital of the Issuer or any person who has purchased rights or interests from such Investor.
- 2.1.7. "Member" means any person admitted to Membership of the Association pursuant to the provisions of Rule 5.
- 2.1.8. "person" or "persons" means and includes natural persons, corporations, partnerships, associations, firms, joint ventures or trusts.
- 2.1.9. "Rules" means the Rules of the Association as determined in general meeting from time to time.
- 2.1.10. "in writing" and "written" includes printing, lithography, telex, facsimile, E-mail, telecopy, email and other modes of representing or reproducing words in a visible or electronic form.
- 2.1.11. "Branch" means a group of Members established pursuant to Rules 3.1.16, 15.2.2 and schedule 1 of these Rules.
- 2.1.12. Words importing only the singular number include the plural number and vice versa.
- 2.1.13. Words importing only the masculine gender include the feminine gender.
- 2.1.14. In the event of a contradiction the Rules of the NZSA have precedence over the Branch Rules set out in schedule 1.

3. Objects of the Association

- 3.1. The Association is established:

3.

- 3.1.1. To support and encourage ethical management of Issuers for the benefit of all Investors.
- 3.1.2. To identify and contest any conduct, policy, law or regulation that is prejudicial to the interests of Investors as a whole by management, directors, the Crown, market regulators, facilitators, market intermediaries, Advisers or other Investors.
- 3.1.3. To promote, encourage and protect active and efficient markets for raising capital and trading in shares, debentures and other securities and fair practice in capital offerings and share trading and loan subscriptions.
- 3.1.4. To foster and support a political, economic and investment climate beneficial to Issuers and the sharing of the resultant benefits equitably between all Investors.
- 3.1.5. To support and encourage good practice and proper disciplines within Issuers including corporate governance and audit and supervision through government agencies and the stock exchange and other appropriate authorities.
- 3.1.6. To encourage interest in participatory shareholder democracy and securing a meaningful role for individual investors whether directly or through group funds in capital markets and providing opportunities for interaction between Issuers and Investors.
- 3.1.7. To foster education in the benefits and hazards of capital investment and securities and appropriate strategies to maximise and protect the interests of Investors and the public.
- 3.1.8. To represent the interests of Members and of the public in making submissions to parliament, government organisations, securities markets, share registries, commercial organisations, and others active in areas relevant to the objects of the Association and co-operating with them and in conducting research and reviews relative to these functions.
- 3.1.9. To endeavour to protect both the public and Members against dishonest, fraudulent and corrupt practices.
- 3.1.10. To perform research and set up communication in order to establish a data base of Issuers and Directors, and to provide an advocacy role in respect of matters arising relating to the Members.
- 3.1.11. To promote or oppose bills, legislation, regulations, by-laws or other measures affecting the interests of Members.
- 3.1.12. To use the funds of the Association as the Association may consider necessary or proper in payment of the costs and expenses and furthering or carrying out the objects of the Association or any of them

4.

including the employment of counsel solicitors agents officers and employees as shall appear necessary or expedient.

- 3.1.13. To subscribe to become a Member of and co-operate with any other Associations both in New Zealand or overseas and whether incorporated or not whose objects are altogether or in part similar to those of the Association and to procure from and to communicate to such Associations such information as may be likely to advance the objects of the Association.
- 3.1.14. To purchase, take on lease or in exchange or hire or otherwise acquire any real or personal property and any rights or privileges which the Association shall think necessary or expedient for the purpose of attaining the objects of the Association or its Members and to sell, exchange, mortgage, let on bail or lease with or without option of purchase or in any manner dispose of any such property rights or privileges as aforesaid.
- 3.1.15. To construct, improve, alter or maintain any building or works necessary or convenient for the purposes of the Association.
- 3.1.16. To establish Branches throughout New Zealand.
- 3.1.17. To solicit and accept donations and gifts and a transfer or conveyance of real or personal property whether subject to any trust or not to support any one or more of the objects of the Association.
- 3.1.18. To do all such things as are incidental or conducive to the attainment of the above objects or any of them and to promote any other activity not repugnant to these objectives.

4. Registered Office

- 4.1. The Registered Office of the Association shall be situated in such place in New Zealand as the Board may from time to time determine.

5. Membership

- 5.1. All Members agree to abide by the Rules of the Association.
- 5.2. Any person may become a Member upon fulfilling the requirements of Membership as prescribed by the Board from time to time and being approved by the Board in its absolute discretion.
- 5.3. Partners who are married or joined by civil union may be accepted as joint Members paying one subscription only and together enjoying the benefits of and accepting the obligations of Membership of the Association. Joint

5.

members have only one vote and if they cannot agree upon that vote then are deemed to have abstained.

- 5.4. Different rights, privileges, classes and powers of Members may be determined from time to time by the Board as it sees fit provided that such power shall not extend to amend or alter these Rules.
- 5.5. The Association shall keep a List of all Members and each Member agrees to waive any rights he/she might have in terms of the Privacy Act 1993 in relation to that List and its publication to all and any Members.
- 5.6. Every Member and every applicant for Membership agrees not to bring any legal action against the Association, its Board, Board Members, Membership committee or any sub-committees and/or against any Members regarding consideration for Membership of or the expulsion of any Member from the Association.
- 5.7. No Member shall make any public statement on behalf of the Association or appearing to be so without the express written authority of the Board, or in case of urgency, of the Chairperson. The Board may however designate in advance any Member to be an authorised spokesman in any particular area of activity on behalf of the Association and that person is thereby authorised to make statements subject to such conditions as may be prescribed.

6. Privileges and Obligations of Membership

- 6.1. Every Member shall furnish to the Board such information and particulars including that Member's address and any changes thereto, as the Board may from time to time reasonably require.

7. Subscriptions Payable by Members

- 7.1. Every Member shall pay an annual subscription to the Association at a rate determined each year by the Board and the subscriptions become due and payable in advance on the 1st day of April in every year or on such other date as the Board may from time to time prescribe.
- 7.2. Every Member who is also a Member of a Branch shall pay such additional subscription as may be determined by the Board.
- 7.3. Any Member who has failed to pay any subscription within three months of the date fixed for payment by the Board shall at the discretion of the Board be excluded from Membership and the Member's name shall be removed from the register. The Member remains liable to the Association for any amount due as at the date the Member's name is so removed.

8. Cessation of Membership

- 8.1. Any Member wishing to resign from the Association shall give notice in writing to the Board to that effect and subject to the Boards discretion pay all subscriptions and levies due up to the end of the financial year.
- 8.2. Any Member who has resigned or has been removed pursuant to these Rules shall return to the Secretary any documents, papers and pamphlets which that Member may have acquired as a right or privilege of Membership and cease to associate himself/herself in any way with the Association.

9. Representatives and Associates

- 9.1. Any body corporate being a Member shall appoint some person as its representative to attend all meetings of the Association and to exercise all voting and other rights vested in such Member but excluding any right to stand for election to the Association's Board or any other office. Such body corporate shall before the commencement of any meeting give notice in writing to the Secretary of any change of its representative.
- 9.2. Any Member may invite to attend any meeting or conference of the Association any employee or associate of such Member or any other interested person provided however that no such invited person has any voting right or right of audience at any such meeting.

10. The Board

- 10.1. The Board comprises the Chairperson, Secretary, the Chairpersons of the Subcommittees as defined in Rule 13.9, and up to a further seven Board Members.
- 10.2. The Board may co-opt any further Member or Members to the Board during the year as the Board deems fit (including filling any casual vacancy), up to a maximum number of 12 Board Members.

11. Election of Members to the Board

- 11.1. The Board is elected at the annual general meeting, and each board Member is elected for a three year term.
- 11.2. The Members at the annual general meeting shall elect up to twelve Board Members amongst whom the allocation of positions of the Chairperson, the Secretary, the Chairpersons of the Subcommittees defined in Rule 13.9 and such alternative or additional subcommittees as the Board may from time to time establish, shall be determined subsequently by the Board.
- 11.3. All such persons must be Members.

12. Nominations

12.1. Nomination

12.1.1. Every retiring Board Member who is eligible for re-election to the Board is deemed to be nominated for re-election unless the Member has indicated in writing to the Board that the Member is not available for re-election.

12.1.2. Any Board Member who has been co-opted pursuant to Rule 10.2 holds office until and including the Board meeting preceding the next annual general meeting, and shall not be automatically nominated under Rule 12.1.1 hereof.

12.1.3. Any Member may be nominated for election to the Board provided that a nomination paper signed by the Member and supported by 2 other Members of the Association is lodged with the Secretary at least 44 days before the Annual General Meeting. A candidate may withdraw by giving the Board notice in writing to that effect.

12.1.4. If in any year the number of candidates validly nominated for election (including those deemed nominated for re-election) does not exceed the number of vacancies which exist, then the persons so nominated shall be deemed duly elected to the Board at the annual general meeting.

12.2 If necessary, a ballot shall be held at the annual general meeting. The procedure for any such ballot shall be as follows:

12.2.1 The Chairperson (or the Chairperson's nominee) shall, from among the Members of the Association present at the annual general meeting appoint two scrutineers, neither of whom shall be Board Members or candidates for election.

12.2.2 The Secretary shall, at the annual general meeting, provide a voting paper to every Member present in person who shall complete and return the voting paper to the scrutineers, together with any proxy voting forms held by that Member.

12.2.3 The voting paper will have provision for the name of the Member voting, and the number of proxies held.

12.2.4 The scrutineers shall count the votes cast by each Member present and the votes cast by such Member as a proxy. Each Member shall be entitled to one vote, plus any vote by proxy. In the case of proxy votes, the scrutineers will satisfy themselves in such manner as they deem fit that any proxy votes have been validly cast. Their decision shall be final.

12.3 Termination of Board Membership

12.3.1 A Member shall cease to be a Board Member upon the happening of any one of the following events:

- Ceasing to be a Member of the Association or suspension or exclusion for any period from Membership of the Association.
- Resignation from the Board.
- Absence from 3 consecutive meetings without the consent of the Board.
- Becoming of unsound mind or infirm.
- Becoming bankrupt or insolvent or making any assignment for the benefit of creditors or taking or attempting to take the benefit of any statutory provision for the liquidation of the Member's affairs and failure to satisfy the Board when required that the inability to pay debts arose from misfortune and that no discreditable conduct can be imputed.
- If at a meeting of the Board, specially convened for the purpose, and of which not less than 14 days prior notice in writing has been given to all Board Members, at which not less than 4 Board Members are present, a resolution is passed by a majority of not less than 3/4ths of those present and voting, declaring the office of such Member vacated.
- Conviction by a competent tribunal of an offence which, in the opinion of the Board, renders the Member unfit to be a Board Member.

13. Proceedings of the Board

13.1. The Board may meet, adjourn and otherwise regulate its meetings as the Board shall think fit. The Board shall meet personally or by modern communication systems at least twice each year. Three Members or all the remaining Board Members if a lesser number are in office shall form a quorum at any meeting of the Board. The Board may continue to act notwithstanding any vacancy in its Membership so long as there is a quorum.

13.2. A meeting of the Board shall be convened at any time upon the request of the Chairperson, Secretary, or three Board Members.

- 13.3. Questions arising at any meetings of the Board shall be decided by the majority of the votes recorded and each Member present personally or by proxy shall have one vote. Board Members voting by proxy shall nominate as a proxy only a person who is a Board Member. The Chairperson shall not have a casting vote. Where there is an equality of voting the motion will be lost. In the absence of a record in the minutes of the votes cast, the resolution shall be deemed to have been unanimous.
- 13.4. At all meetings of the Board the Chairperson shall preside as Chairperson, and in his absence the Secretary shall preside as Chairperson. In the absence of the Chairperson and Secretary, a Chairperson shall be elected from among the Board Members then present.
- 13.5. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in the Board by any means whatsoever.
- 13.6. A resolution where assent is evidenced in writing (including email) by 3/4ths of the Board Members is valid and effectual as if it had been passed at a meeting of the Board duly called and constituted. A copy of any resolution so made shall be forwarded to each Member of the Board as soon as practicable.
- 13.7. The Board may conduct its meetings wholly or partly by telephone or by teleconference, electronic or other means (including email).
- 13.8. The Board may appoint Subcommittees from among Board Members or from among other Members of the Association who are not Members of the Board. The Board may delegate any of its powers to any such Subcommittees and may make rules for regulating the proceedings of such Subcommittees. The following further provisions shall apply to such Subcommittees:
- the Chairperson of the Board shall be ex-officio a Member of all such Subcommittees;
 - the Board shall determine the quorum for meetings of such Subcommittees;
 - provided always that a majority of Members of a Subcommittee are Members of the Association and unless the Board otherwise directs, a Subcommittee may co-opt other persons as Members of the Subcommittee subject to prior approval by the Board;
 - any person who is not a Member of the Association has a right to speak but not vote at any meeting of a Subcommittee.
- 13.9. Pursuant to the procedure prescribed in Rule 13.8 above, and in addition to such power, the Board may appoint Subcommittees for the furtherance of its objects and in particular for the following roles:

Advocacy
Communication
Membership
Research

14. Funds and Properties

- 14.1. The Association has power to borrow or raise money from time to time by the issue of debentures, bonds, or any other security based on all or any property and/or rights of the Association or without any such security and upon terms as to priority and otherwise as the Board shall think fit and the powers contained in this Rule may be exercised by the Board.
- 14.2. All monies received on account of the Association shall be paid into the account of the Association with its bankers forthwith after receipt. The Board may make and give receipts releases and discharges for monies payable to the Association and for the claims and demands of the Association.
- 14.3. The Board may authorise its officers to pay or deal with all funds under its control in such manner and in all respects as it may from time to time decide.
- 14.4. The Secretary shall keep, or cause to be kept, a proper account of the income and expenditure of the Association, and of all matters in respect of which such income and expenditure arises and takes place respectively and of the property, credits and liabilities of the Association, and shall produce accounting records, properly maintained, when required by the board.
- 14.5. All legacies, endowments, donations, or gifts of money or other real or personal property unless given to the Association for any specific object shall be dealt with by the Board as the Board may think fit for the general purposes of the Association.
- 14.6. All cheques drawn upon the bankers of the Association shall be signed in such manner and by such persons as the Board shall from time to time determine. Cheques or other negotiable instruments paid or payable to the bankers of the Association for collection requiring the endorsement of the Association may be endorsed by such person or persons as the Board shall from time to time appoint.
- 14.7. If required pursuant to a resolution passed at an Annual General Meeting of the Association, or upon resolution of the Board, the accounts of the Association for such period as any such resolution may provide shall be audited and reported upon by an auditor. Such report shall be notified to members upon receipt. It shall be sufficient notification for such report to be published on the NZSA website. Any auditor so appointed shall receive such fee as the Board may determine.

15. Powers and Duties of the Board

- 15.1. The management and control of the activities of the Association and of its funds are vested in the Board. In addition to the powers and authorities expressly conferred on it by these Rules, the Board may exercise all such powers and do all such things as may be exercised and done by the Association and which are not expressly directed or required by the Rules to be exercised or done by the Association in general meeting.
- 15.2. Without limiting the generality of the powers referred to in Rule 15.1 the Board may do any of the following:
- 15.2.1. Organise lectures and by any other means promote and advance the study of matters relevant to the objects of the Association.
- 15.2.2. Appoint, remove or suspend such secretaries, officers, clerks, agents, managers and servants for or from such permanent, temporary or special services as the Board may from time to time think fit and determine their duties and fix their salaries or emoluments and require security in such instances and to such amounts as it thinks fit. The Board may establish Branches from time to time in accordance with Schedule 1 hereof. The Board may also appoint from time to time the bankers and legal advisers of the Association.
- 15.2.3. Purchase, rent, lease, hold and/or furnish any building or premises for the use of Members of the Association and from time to time dispose of all or any part.
- 15.2.4. Take cognisance of anything affecting the Association or the professional conduct of Members and has the power to bring before the Association in general meetings any matters which it considers material to the Association or to the interest of Investors and may make recommendations in relation to any matter.
- 15.2.5. Institute, conduct, defend, compound or abandon any legal proceedings by and against the Association or its officers or otherwise concerning the affairs of the Association and also may compound and allow a time for payment or satisfaction of any debts due or of any claim or demand by or against the Association.
- 15.2.6. Publish or approve and superintend the publication of books, journals, and papers and utilise any other means of communications.
- 15.2.7. In each year print a copy of the accounts, a report of the proceedings of the Association during the previous year, a report of the proceedings of the last Annual General Meeting, and such other information as the Board may deem of interest, and circulate the same amongst the Members of the Association and, should it see fit, to the general public.

- 15.2.8. Make and give receipts, releases and other discharges for moneys payable to the Association and for the claims and demands of the Association.
 - 15.2.9. Invest and deal with any moneys of the Association upon such security and in such manner as it thinks fit, and from time to time vary such investments as it thinks fit.
 - 15.2.10. Borrow or raise money by bank overdraft or any other securities founded or based upon all or any of the property and rights of the Association or without any such security and upon such terms as to priority or otherwise as the Board shall think fit.
- 15.3. Between meetings of the Board the Chairperson personally may exercise the powers contained in Rule 15.2.2. Any action taken by the Chairperson under that Rule shall however be subject to ratification by the Board and shall be submitted to the Board by the Chairperson at the first available opportunity.

16. General Meetings

- 16.1. Meetings of Members of the Association for the transaction of business and the consideration of matters relating to the direction and management of the affairs of the Association shall be undertaken by way of Annual General Meetings or special general meetings.
- 16.2. The Annual General Meeting shall be held between 1 April and 30 September (inclusive) in each year.
- 16.2.1. 60 days notice in writing of the date of the Annual General Meeting shall be given to Members and state the town or locality in which it is intended that the meeting be held (the "Notice").
 - 16.2.2. The Notice shall call for nominations to the Board in accordance with Rule 12.1.3.
 - 16.2.3. The Notice shall call for notice to be given of any Motion which it is intended be put to the Annual General Meeting PROVIDED such Motion shall be required to be received in writing on or before the close of nominations for the Board under Rule 12.1.3.
- 16.3. The business of the Annual General Meeting is to receive and consider:
- 16.3.1. The report of the Board on the affairs of the Association for the past financial year.
 - 16.3.2. The accounts made up to the previous 31 March (which accounts shall be signed by the Chairperson and the Secretary).

- 16.3.3. The annual election of Board Members.
 - 16.3.4. Any Motion notice of which has been duly received in accordance with Rule 16.2.3
 - 16.3.5. Any other business deemed by the Chairperson or Members present to be appropriate for consideration by the meeting.
- 16.4. The Board shall within 30 days of the receipt of a requisition signed by not less than 30 Members of the Association proceed to convene a Special General Meeting of the Association to be held within 60 days of the date of receipt of the requisition. Every such requisition and the corresponding notice calling the meeting shall specify the purpose for which the meeting is requisitioned or called. No other business shall be considered at such meeting.
- 16.5. Any general meeting of the Association, whether annual or special, shall be held at such times and at such places as the Board shall from time to time determine. Not less than 14 days notice of any Special General Meeting specifying the day, hour and place of the Special General Meeting and the general nature of the business to be dealt with shall be given to Members in the prescribed manner. In computing the 14 day period of notice, the date of posting the notice and the date of holding the meeting shall be excluded.

17. Proceedings at Meetings

- 17.1. At every Annual or Special General Meeting fifteen Members personally present and entitled to vote shall form a quorum. If at any such meeting a quorum is not present within half an hour of the time appointed for holding the meeting, a meeting convened upon the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day not being more than 14 days after such meeting at such time and place as the Chairperson of the meeting may appoint. If at such adjourned meeting a quorum is not present Members who are present shall constitute a quorum and may transact the business for which the meeting was called.
- 17.2. The Chairperson, or in that person's absence the Secretary, shall take the chair at every general meeting of the Association. In the absence of the Chairperson or Secretary, a Board Member shall be chosen to take the chair. If at any meeting no person entitled to take the chair shall be present within 15 minutes after the time appointed for holding such meeting, or if all such persons present decline to take the chair, then Members present shall choose one of their number to be Chairperson.
- 17.3. The Chairperson of a general meeting may with the consent of the meeting adjourn the same from time to time and from place to place. No

business shall be transacted at any adjourned meeting other than business unfinished at the meeting at which the adjournment took place.

17.4. Unless otherwise provided in these rules, each motion submitted to a meeting shall be decided in the first instance on the voices, or, if the Chairperson so directs, by a show of hands. In the case of an equality of votes the Chairperson both on a show of hands and at a poll has a casting vote in addition to the vote to which they are entitled as a Member.

17.5. A declaration by the Chairperson that a resolution has been carried by a particular majority or lost or not carried by a particular majority and an entry to that effect in the books of proceedings of the Association is conclusive evidence in favour of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

17.6. If a poll is demanded by at least ten Members personally present and entitled to vote, it shall be taken in such a manner and at such time and place as the Chairperson of the meeting directs, either at once or after an adjournment or otherwise. The result of the poll is deemed to be the resolution of the meeting at which the poll is demanded. The demand for a poll does not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded. The demand for a poll may be withdrawn only by consent of the meeting. Any poll demanded on the election of a Chairperson of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

18. Votes for Members

18.1. Every Member has one vote, except any Member who is a director, associated person or a substantial security holder (as defined by the Stock Exchange rules) in any listed company which is affected directly or indirectly by that particular vote, in which case that Member is not able to vote on that particular issue.

18.2. Votes may be given personally or in proxy. The instrument appointing a proxy may be in the following form, and may be altered by the Secretary to suit the circumstances of the general meeting

I of being a member of the New Zealand Shareholders' Association Incorporated hereby appointofor failing that person of as my proxy to vote for me on my behalf at the annual (or special) general meeting of the Association to be held on theday of20... and at any adjournment thereof.

General Proxy: My proxy is hereby authorised to vote *in favour of/against/abstain the resolution/as my proxy sees fit. *Delete whichever is not desired.

Directed Proxy: My proxy is directed to vote as follows:

- Notice of Motion – Resolution 1
*for/against/abstain
- Notice of Motion – Resolution 2
*for/against/abstain
- Notice of Motion – Resolution 3 (etc)
(*Delete whichever is not desired).

Signed this.....day of20..

- 18.3. Unless otherwise instructed, the proxy may vote as the proxy thinks fit. An incorrectly completed proxy shall be deemed an abstention, unless a contrary intention is clear.
- 18.4. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- 18.5. The proxy form must be lodged with the Secretary not less than 48 hours before the commencement of a general meeting, and copy should be transmitted to the proxy holder by the Member prior to the meeting.
- 18.6. The proxy may vote at any subsequent meeting being an adjourned meeting of the original meeting and should the Member who appointed the proxy be able to attend an adjourned meeting to vote personally then if that Member so wishes he may cancel the Authority conferred by the proxy instrument by attending that meeting in person.
- 18.7. No Member is entitled to be present or vote at any meetings (including votes by proxy) while under any pecuniary liability to the Association which has existed for more than three months.

19. Minutes and Notices

- 19.1. Minutes shall be kept of all resolutions and proceedings of:
 - general meetings of the Association
 - meetings of the Board
 - meetings of any committees
- 19.2. A notice may be served by the Association upon any Member either personally or by sending it through the post in a prepaid letter, envelope or wrapper addressed to the address of the Member shown on the register of Members, or by email to the email address specified by the Member.
- 19.3. Any notice sent by post or email to a Member of the Association is deemed to have been received on the day following that on which the letter, envelope or wrapper or email containing the same is posted or sent. In proving service of the notice it is sufficient to prove that the letter, envelope,

wrapper or email containing the notice was properly addressed and posted or sent. A certificate in writing signed by the Secretary or other officer of the Association that the letter, envelope wrapper or email containing the notice was so addressed and posted or sent is conclusive evidence of receipt by the Member.

20. Register of Members / Function of Treasurer

20.1. The Secretary shall keep a Register of all Members, and shall act as Treasurer of the Association.

21. Privileged Communications and Indemnity

21.1. All communications, correspondence, reports, minutes and other papers and documents relevant to any application to the Board, or to admission or advancement of Members including the reports of the scrutineers, or the suspension or forfeiture of Membership of any Member, is privileged and confidential and not pass out of the custody of the proper officer of the Association nor shall any contents of the same be disclosed outside the Board except on the express authority of the Board as recorded in the minutes.

21.2. The Board Members, the Auditor, the Secretary, and other officers of the Association shall be indemnified by the Association from all losses and expenses incurred by them in the discharge of their duties except when losses occur through dishonesty.

21.3. No Board Member, Auditor, Secretary, or other officer of the Association is liable for the acts or defaults of any other Board Member, Auditor, Secretary, or other officer, or for any loss or expense happening to the Association unless the same happens from that officer's wilful default.

22. Alteration of Rules

22.1. These rules may be altered, added to or rescinded or otherwise amended by a resolution passed by a two-thirds majority of those present at a general meeting of which at least 14 days' notice to Members has been given provided that no addition or alteration or rescission of the Rules may be approved if it affects the personal benefit Rule or the winding up Rule (Rules 24 and 25) unless the Board certifies that the proposed amendment is consistent with the true purpose and intent of the said Rules.

22.2. Every such notice shall set forth the purpose of the proposed alteration, addition, rescission or other amendment.

22.3. Duplicate copies of every such alteration, addition, rescission or amendment shall forthwith be delivered to the Registrar of Incorporated

Societies in accordance with the provisions of the Incorporated Societies Act 1908 or any Act in substitution of it.

23. Seal

- 23.1. The Association shall have a common seal which remains in the custody of the Secretary or at such other secure location as is approved by the Board from time to time and only be affixed to any document pursuant to a resolution of the Board and in the presence of such Members of the Board as the Board may direct.

24. Winding Up

- 24.1. If upon the winding up or dissolution of the Association and after satisfaction of all debts and liabilities there remains any property whatsoever then such property shall not be paid or distributed among Members but shall be given or transferred to some other association having objects similar to the objects of the Association and having in its constitution a similar prohibition on the division of surplus assets or income among its Members. If a suitable association cannot be found the proceeds shall be donated to a charity at the discretion of the Board. It is expressly stated that no Member is entitled to receive any proceeds on the winding up or dissolution of the Association.

25. Payment to Members

- 25.1. No Member or any person associated with a Member may participate in or materially influence any decision made by the Association in respect of the payment to or on behalf of that Member or associated person of any income, benefit or advantage whatsoever.
- 25.2. Any such income paid shall be reasonable and relative to that which would be paid in an arms length transaction (being the open market value). The provisions and effect of this Rule shall not be removed from these Rules and shall be included or deemed implied in any rules replacing these Rules.

Schedule One to the Rules of Incorporation of the New Zealand Shareholders Association Incorporated.

RULES FOR BRANCHES OF THE NEW ZEALAND SHAREHOLDERS' ASSOCIATION INCORPORATED

1. Name

Whenever the Board of the New Zealand Shareholders' Association Incorporated ("NZSA") determines to establish a Branch in a geographical location (which power is hereby vested in it), that Branch shall be known as the ["**location**"] Branch of the New Zealand Shareholders' Association Incorporated. NZSA shall establish any such Branch by appointing the initial Branch Committee.

2. Objects

The purpose for which any Branch is established is to assist with the implementation of objects of the NZSA within the geographical area identified by NZSA and subject to the Branch Rules. The activities of the Branch shall be as prescribed from time to time by NZSA .

3. Membership

Every person who:

is a Member of NZSA, and
applies for and is accepted by the Branch, and
pays any required subscription

shall be a Branch Member.

4. Application for membership

Every application for Branch Membership shall be made in writing and accompanied by any required subscription. On receipt and approval of the application for Branch Membership, the applicant's name shall be entered on the register of Branch Members. The Branch Committee and NZSA may not be called upon to disclose the nature of any comments or deliberations or to provide any reason for approving or not approving any application for Membership submitted.

5. Rules

5.1 All Branch Members shall be subject to these rules and any rules, regulations or by-laws of NZSA.

5.2 A copy of the Branch Rules will be maintained on the website of NZSA. Copies requested by a Member shall be provided at a charge fixed by NZSA.

6. Cessation of membership

6.1 Any Member wishing to resign from the Branch shall give notice in writing to the NZSA or the Branch Committee to that effect, and the Branch and NZSA shall remove that Members name from the register of Branch Members forthwith, but without prejudice to the right of NZSA to recover any funds owing.

6.2 NZSA has the power to remove from the register of Branch Members any Branch Member:

who breaches any rule, regulation or by-law of the Branch or of NZSA, or
who does any act to bring the Branch or NZSA into disrepute, or
who NZSA believes in its absolute discretion is in the best interests of the Branch or NZSA to so remove.

6.3 Any Branch Member who is liable to be removed from Branch Membership under rule 6.2 shall be entitled to appear personally or to be represented before the Board of NZSA to offer an explanation verbally or in writing. At least fourteen days' written notice of the meeting shall be given to any Branch Member concerned.

6.4 Any Branch Member, who ceases to be a Member of NZSA for any reason, shall cease to be a Branch Member.

7. Committee

7.1 The Branch shall be managed by a Committee comprising:

No less than 4 or more than 12 duly elected or appointed Branch Committee Members;

Any retiring Branch Chairperson serving under the provisions of Rule 8.

7.2 Casual vacancies of Committee Members may be filled by the Committee.

7.3 All Members of the Branch are eligible for appointment to the Committee.

8. Officers

8.1 At the first meeting of the Branch Committee after initial appointment and after each Annual General Meeting of the Branch Committee shall elect from among their numbers a Chairperson and a Vice-Chairperson. No Chairperson may serve in this office for more than three consecutive years.

8.2 Each Branch Chairperson, on ceasing to hold office as Chairperson consequent upon the appointment of his or her successor, shall become the immediate retiring chairperson of the Branch and shall remain a Member of the Branch Committee for the next succeeding year, unless removed as a Member of the Branch or ceasing to retain Membership of NZSA.

9. Secretary

The Branch Secretary is appointed annually by the Branch Committee from its membership.

10. Treasurer

The Treasurer is appointed annually by the Branch Committee from its membership, and may also be the Branch Secretary.

11. Auditor

The accounts of the Branch shall be provided to NZSA and incorporated into the accounts of NZSA. Any auditor appointed by NZSA may audit the consolidated accounts, and may call on the Branch Treasurer for such further or other information regarding the financial affairs of the Branch as the auditor deems necessary. The Branch Treasurer shall provide any such information requested as soon as reasonably practicable.

12. Financial year

The annual accounts of the Branch close on 31 March of each year.

13. Annual report and accounts

A copy of the Branch accounts including as a minimum Receipts and Payments Account, and the Annual Report of the Branch for the year, shall be forwarded to Members of the Branch and NZSA, with the notice convening the Annual General Meeting.

14. Annual General Meeting

On a date to be fixed by the Branch Committee, but not later than 31 July in each year, the Branch shall hold a general meeting to be called the Annual General Meeting of the Branch, for the purposes of:

receiving the Annual Report of the Committee and the Branch accounts;

selecting a Committee;

transacting such other business as is normally transacted at Annual General Meetings.

15. Special general meetings

A Special General Meeting of Branch Members shall be convened in the following circumstances:

if a majority present at a meeting of the Branch Committee, of which seven days' notice has been given, so decide; or

upon requisition in writing to the Chairperson signed by not less than twenty Members or one-tenth of the Members of the Branch, whichever is the less. In the case of a requisitioned meeting the requisition shall state the nature of the business to be brought before the meeting. No other business shall be considered at such meeting; or

if NZSA directs that a special meeting be held.

16. Notice of meetings

Fourteen days' notice of all Annual and Special General meetings shall be given to all Branch Members and to NZSA. The notice of meeting must set out sufficient detail to inform Members of the matters that are to be considered by the meeting. Notice of meeting may be given by post, email, or such other method as the Committee may determine.

17. Quorum

17.1 Five Branch Members, or at least 5% of the Branch membership (whichever is the greater) personally present, at commencement of and throughout the meeting, shall constitute a quorum at all general meetings of the Branch.

17.2 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting stands adjourned to the same day in the next week at the same time and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present constitute a quorum.

18. Voting

Every Branch Member personally present at any meeting has one vote. In case of equality of voting, the Chairperson may exercise a second or casting vote to preserve the status quo. Minutes shall be kept of all resolutions and proceedings of the Branch.

19. Meetings chairperson

The Branch Chairperson shall preside at all general and committee meetings of the Branch. In his or her absence the Branch Vice Chairperson shall preside. If neither is present within ten minutes of the scheduled time for the start of the meeting, then those present shall elect a Chairperson.

20. Committee meetings

The Branch Committee shall meet at least quarterly on dates to be decided by the Committee or failing a decision by the Committee, then by the Chairperson of the Branch. Notice of Branch Committee meetings shall be given to all Members of the Committee and to NZSA. Three Branch Committee Members present at any Committee meeting constitute a quorum. Minutes shall be kept of all resolutions and proceedings of the Branch Committee.

21. Branch funds

21.1 The income of the Branch includes any allocation made by NZSA.

21.2 All funds shall be lodged to the credit of an account to be opened in a trading bank under the name of the Branch. Withdrawals shall be made under signatures authorized for that purpose by the Branch Committee comprising:

any two Members of the Branch Committee; or

the Branch Secretary and any one Member of the Committee.

21.3 All reasonable travelling and other out of pocket expenses of any Member of the Committee shall be reimbursed by the Branch.

21.4 All accounts for payment shall be scheduled for ratification by the Committee and minuted. Minutes of all Branch Committee meetings, and Branch Meetings, shall be forwarded to NZSA within 7 days of the meeting being held.

22. Borrowing and Credit

The Branch Committee may not:

borrow or raise money upon mortgage of the real or personal property of the Branch, or any part of it, or upon debentures, or issue debentures or borrow money from bankers or other persons with or without security;

enter into any contract which would obligate the Branch to expend funds in excess of its annual net income;

without first obtaining the approval in writing of NZSA.

23. Liquidation of Branch

23.1 The Branch shall go into liquidation if, at a general meeting of the Branch, the Members pass by a simple majority a resolution to do so.

23.2 NZSA may at any time withdraw recognition from the Branch, whether permanently or temporarily or for certain purposes only, and if temporarily or for certain purposes only then subject to such conditions as NZSA determines.

23.3 In the event of liquidation or the permanent withdrawal of recognition, the Branch shall cease to exist, its assets and property vesting in NZSA.

24. Matters not contained in these rules

Should any matter arise which is not covered by these rules a ruling on the action required shall be obtained from NZSA and the matter actioned accordingly.

25. Alteration to Branch rules

These rules may not be added to, altered or amended at any Branch meeting. They may only be added to, altered or amended by NZSA in General Meeting.

26. Indemnity

26.1 The Members of the Branch Committee, auditor and Branch secretary and other officers shall be indemnified by the Branch from all losses and expenses incurred by them in or about the discharge of their respective duties except such as result from their own respective wilful default.

26.2 No Member of the Branch Committee, auditor and Branch secretary or other officer shall be liable for the acts or defaults of any other member of the Committee, auditor, Branch secretary or other officer, or for any loss or expense happening to the Branch, unless the same happen from their own wilful default.