

Rules of the New Zealand Shareholders' Association Incorporated

1. Name and Rules of the Association

- 1.1 The name of the society is "New Zealand Shareholders' Association Incorporated" ("Association" and "NZSA").
- 1.2 The following are the rules ("Rules") of the Association.

2. Definitions and Interpretation

- 2.1. In this Agreement defined terms have the following meanings:

"Act" means, for so long as it applies, the Incorporated Societies Act 2022, and any regulations made under that Act.

"Annual General Meeting" means the annual general meeting of the Association referred to in Rule 17.

"Association Meeting" is either an Annual General Meeting or a Special General Meeting.

"Board Associate" means an associate appointed under Rule 9.5.

"Board" means the board of the Association.

"Branch" means any Branch of the NZSA established pursuant to these Rules and which is subject to the Branch Policy.

"Chairperson" means the chairperson of the Association appointed by the Board from time to time.

"Investment Products" means those investment products which the board from time to time decides will be investment products for the purpose of the objects of the Association.

"Member" means any person who becomes a member of the Association under Rule 5.

"Objects" means the objects of the Association referred to in Rule 3.

"Organisation" includes a company, trust and partnership whether incorporated or unincorporated.

"Special General Meeting" means a special general meeting of the Association referred to in Rule 17.

"Written Notice", "in writing" and "written" means communication by post, or electronic means.

- 2.2. Headings are for information only and do not form part of these Rules

- 2.3. A reference to any gender includes all genders.

- 2.4. A reference to the singular refers also to the plural.
- 2.5. A reference to a person means and includes natural persons and Organisations.

3 Objects of the Association

3.1 The objects of the Association are to:

- a Represent, protect and promote the interests of investors in shares and other Investment Products; and
- b To promote and encourage an active, efficient, fair and transparent market for raising capital and trading in shares and other Investment Products.

3.2 Some of the activities the Association undertakes in furtherance of its Objects include:

- a. Influencing through the policy of Government.
- b. Making submissions to Parliament and regulatory bodies on laws.
- c. Performing and encouraging research.
- d. Providing an advocacy role.
- e. Providing a proxy service.
- f. Encouraging good governance within Organisations.
- g. Organising meetings and functions for members, often with keynote speakers from finance, industry, journalism, politics and other relevant sectors.
- h. Undertaking educational activities and working with other organisations in relation to investor education.
- i. Establishing and maintaining branches throughout New Zealand.

4. Registered Office

4.1 The Registered Office of the Association will be at a place in New Zealand as the Board may from time to time determine.

5. Membership

5.1 To become a Member, a person (“Applicant”) must meet the requirements of the current NZSA Membership Policy as approved by the Board, and must consent to becoming a Member.

5.2 The Board has complete discretion when it decides whether or not to allow an Applicant to become a Member or for a Member to remain a Member as per the NZSA membership policy adopted by the Board from time to time.

5.3 A Member may at any time resign by giving notice in writing to the Board and by paying all moneys

owing to the Association at that time.

5.4 A Member ceases to be a Member:

- a. on death (or if a body corporate on liquidation, or if a partnership on dissolution of the partnership); or
- b. where they cease to meet the requirements of the current NZSA Membership Policy as approved by the Board; or
- c. if membership is terminated by the Board.

6. Raising disputes

- 6.1 Any grievance by a member, and any complaint by anyone, is to be lodged by the complainant with the Association in writing and must provide such details as are necessary to identify the details of the grievance or complaint. All members are obliged to cooperate to resolve disputes efficiently, fairly, and with minimum disruption to the Association's activities.
- 6.2 Any complaint lodged in accordance with the above clause will be considered in accordance with the Dispute Resolution provisions of the NZSA Membership Policy, and otherwise in accordance with Schedule 2 of the Act.

7. The Register of Members and Membership Processes

- 7.1 The Association will keep a register of Members which will contain the names of Members and such other information as the Board may from time to time require.
- 7.2 The rights and obligations, definitions, fee levels and membership tenure are described within the NZSA Membership Policy.

8. Who is the Board

- 8.1 The Board comprises between six and nine elected Board members.
- 8.2 The Board may co-opt further members to the Board during the year as the Board deems fit (including filling any casual vacancy).

9. How are Members nominated and elected to the Board & how does Board membership end

- 9.1 Subject to Rule 9.3, the Board members are elected at the Annual General Meeting, and each Board member is elected for a three year term. A Director may be re-elected, but is generally expected to serve no more than 3 terms.
- 9.2 All persons on the Board must be Members.
- 9.3 The process for nomination to the Board is as follows:

- a. A Member can be nominated for election to the Board if a nomination paper signed by the Member and supported by 2 other Members is lodged with the Association at least 28 days before the Annual General Meeting.
 - b. A candidate may withdraw by giving the Board notice in writing to that effect before the date of the Annual General Meeting.
- 9.4 If there are more nominations than places available on the Board, a ballot will be held at the annual general meeting. The procedure for a ballot is set out in the NZSA Meetings Policy as approved by the Board.
- 9.5 The Board may from time to time appoint one or more Board Associates. A Board Associate has none of the roles and powers associated with Rule 13.1. a Board Associate will not have any voting or decision-making rights but will have speaking rights.
- 9.6 A Member's Board membership (including that of a Board Associate), will end immediately and without notice, if he or she:
- a. Ceases to be a Member for any reason.
 - b. Resigns from the Board.
 - c. Is absent from 3 consecutive meetings without prior approval of the Board.
 - d. Becomes of unsound mind or infirm.
 - e. Becomes insolvent or makes an assignment for the benefit of creditors or takes or attempts to take the benefit of any statutory provision to dissolve his or her affairs and fails to satisfy the Board when required that the inability to pay debts arose from misfortune and that no discreditable conduct can be imputed.
 - f. If at a meeting of the Board, at which a quorum is present, a resolution is passed, declaring the office of such Board member vacated.
 - g. Is convicted of an offence which, in the opinion of the Board, renders him or her unfit to be a Board member.

10. What is the Role of the Board

- 10.1 Subject to these Rules the role of the Board is to:
- a. Administer, manage, and control the Association.
 - b. Carry out the Objects, and use income or other property of the Association to do that.
 - c. Manage the Association's financial affairs, including approving the annual financial statements for presentation to the Members at Annual General Meetings.
 - d. Set accounting policies in line with generally accepted accounting practice.
 - e. Delegate responsibility and co-opt members where necessary.
 - f. Ensure that all Members are aware of the Rules

- g. Determine the eligibility for membership.
- h. Decide the times and dates for Meetings, and set the agenda for Meetings.
- i. Decide the procedures for dealing with complaints.
- j. Set membership fees, including subscriptions and levies.
- k. Determine the establishment and set up of Branches.
- l. Do anything else the Board from time to time determines to be a role of the Board.
- m. Appoint the Association's contact person from time to time where required under the Act.

10.2 The Board has all of the powers of the Association, unless the Board's power is limited by these Rules or by a majority decision of the Association.

11. The Role of the Chairperson

11.1 The Chairperson is responsible for:

- a. Ensuring that the Rules are followed;
- b. Convening Board meetings and establishing whether or not a quorum (a majority of the Board) is present;
- c. Chairing meetings, deciding who may speak and when;
- d. Overseeing the operation of the Association;
- e. Providing a report on the Association at each Annual General Meeting; and
- f. Doing anything else the Board from time to time determines.
- g. Ensuring that minutes of all resolutions and proceedings of Association Meetings and Board meetings are kept.

The Chairperson may delegate to any of his or her roles to any other Board member subject to the approval of the Board and upon any conditions the Board may decide.

11.2 Secretariat function:

In exercising its power, the Board may appoint a Secretariat and delegate certain functions to that Secretariat, including, but not limited to:

- a. Recording minutes of Association Meetings and maintaining a minute book.
- b. Sending correspondence to Members, including notices.
- c. Maintaining financial records and liaising with the Association's accountant and reviewer in respect of having annual financial statements prepared.
- d. Collecting annual subscriptions.
- e. Maintaining the register of members in accordance with Rule 7.1

12. Board Meetings and Subcommittees

- 12.1 The Board will meet, adjourn and otherwise regulate its meetings as the Board decides. The Board will meet personally or by any other format the Board decides (for example, by telephone, by teleconference or by email) at least twice each year.
- 12.2 A meeting of the Board can be convened at any time at the request of the Chairperson or three Board members.
- 12.3 The quorum for any Board meeting is a majority of the Board. No business will be done at a meeting unless a quorum is present and the quorum must be present at all times during the meeting.
- 12.4 Any questions or matters arising at any meetings of the Board will be decided by the majority of the votes recorded and each Board member present personally or by proxy will have one vote. A Board member voting by proxy will only nominate as a proxy a person who is a Board member. The Chairperson will not have a casting vote. Where there are an equal number of votes the motion will be lost. If there is no record in the minutes of the votes cast, the resolution will be deemed to have been unanimous.
- 12.5 At all meetings of the Board the Chairperson will preside as Chairperson, and in his or her absence a chairperson will be elected from among the Board members present at the meeting.
- 12.6 The Board may pass a resolution without a meeting being held if the majority of the Board members who are entitled to vote on the resolution so vote on the resolution. The resolution must be in writing (which includes email) and is valid and effective as if it had been passed at a meeting of the Board duly called and constituted. A copy of the resolution will be forwarded to each Board member as soon as practicable.
- 12.7 Decisions of the Board bind the Association, unless the Board's power is limited by these Rules or by a majority decision of the Association.
- 12.8 The Board may appoint subcommittees as the Board may from time to time determine from among Board members or from among other Members. The Board may delegate any of its powers to a subcommittee and may make rules for regulating the proceedings of a subcommittee. The following provisions will also apply to a subcommittee:
 - a. The Chairperson of the Board will be ex-officio a member of the subcommittee.
 - b. The Board will appoint a chairperson and determine the quorum for meetings of the subcommittee.

13. Use of Income and Property of the Association

- 13.1 The income and property of the Association will be applied solely towards the promotion of its Objects (including such things as are incidental or conducive to the attainment of its Objects) and the costs and expenses of the Association.
- 13.2 All legacies, endowments, donations, gifts of money or other real or personal property will be dealt with as set out in Rule 13.1.

14. Powers of the Board

- 14.1 The Board has all of the powers necessary for managing, and for directing and supervising the management of, the operation and affairs of the Association.

15. Financial Year

- 15.1 The financial year of the Association begins on 1 April of every year and ends on 31 March of the next year.

16. Financial Records

- 16.1 If required by law or if the Board considers it desirable, an auditor or reviewer shall be appointed at each Annual General Meeting to audit or review the annual financial statements and to report thereon.
- 16.2 The auditor or reviewer shall not be a Board Member.
- 16.3 The auditor or reviewer shall have the power to call for the production of books, paper, accounts and other documents relating to the Society at any time.
- 16.4 The auditor or reviewer shall be paid such fees as may be determined by the Board from time to time.

17. Association Meetings and Voting

- 17.1 An Association meeting (“Association Meeting”) is either an Annual General Meeting or a Special General Meeting.
- 17.2 The Annual General Meeting will be held no later than six months after balance date. The following will apply to Annual General Meetings:
- a. At least 28 days Written Notice of the day, hour and place of the Annual General Meeting will be given to Members.
 - b. The Written Notice will call for nominations to the Board in accordance with Rule 9.3
 - c. The Written Notice will call for notice to be given of any motion (“Motion”) which it is intended be put to the Annual General Meeting. The Motion must be received by the Association in writing at least 14 days before the Annual General Meeting.
 - d. The business of the Annual General Meeting will be:
 - i. Receiving any minutes of the previous Annual General Meeting.
 - ii. The Chairperson’s report on the affairs of the Association for the past financial year.
 - iii. The accounts made up to the previous financial year (which will be signed by two Board Members).
 - iv. The annual election of Board Members.

- v Motions to be considered.
 - vi Any other business deemed by the Chairperson or Members present to be appropriate for consideration by the meeting, or otherwise required under the Act.
- b. Special General Meetings may be called by the Board, and must be called where required under the Act. The following will apply to Special General Meetings:
- i. The Board must call a Special General Meeting if it receives a written request (“requisition”) signed by at least 30 of the Members for a meeting. The requisition must specify the purpose for meeting. No other business shall be considered at such meeting.
 - ii. The Board will within 30 days of the receipt of the requisition proceed to convene a Special General Meeting to be held within 60 days of the date of receipt of the requisition.
 - iii. The requisition and Written Notice must specify the purpose for the meeting.
 - iv. The Board will give at least 14 days Written Notice to the Members of the Special General Meeting, the day, hour and place of the meeting and the general nature of the business to be dealt with.
- 17.3 At every Association Meeting fifteen Members present, in person, by proxy, or electronically (where permitted by the Board), and entitled to vote will constitute the quorum.
- 17.4 If at any Association 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 the meeting will be 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 the original meeting date at such time and place as the Chairperson of the meeting may appoint. If at the adjourned meeting a quorum is still not present, then Members who are present will constitute a quorum and transact the business for which the meeting was called.
- 17.5 The Chairperson will chair every Association Meeting. If the Chairperson is not present, a chairperson will be elected from among the Board members present at the meeting. If at the meeting there is no-one entitled, willing and present to chair the meeting within 15 minutes after the time appointed for holding the meeting, then Members present will choose one of them to be chairperson.
- 17.6 The chairperson at an Association Meeting may adjourn the meeting if necessary to another time and place but only unfinished business at the meeting will be transacted at the adjourned meeting.
- 17.7 The procedures for voting on motions at an Association Meeting are specified within the NZSA Meeting Voting Policy.
- 17.8 Written resolutions may not be passed in lieu of an Association Meeting.
- 17.9 All members may attend and have one vote (including by proxy) at Association Meetings. The Chairperson will not have a casting vote.
- 17.10 A declaration by the chairperson of the Association Meeting 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 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.

18. Notices

- 18.1 A notice may be served by the Association on any Member in writing.
- 18.2 Any notice sent by the Association to a Member is deemed to have been received on the day following that on which the notice was posted or sent. In proving service of the notice it is sufficient to prove that the notice was properly addressed and posted or sent. A certificate in writing signed by an officer of the Association that notice was posted or sent is conclusive evidence of receipt by the Member.

19. Privileged Communications and Indemnity

- 19.1 All Board communications, correspondence, reports, minutes and other papers and documents, is privileged and confidential and the contents of the same cannot be disclosed outside the Board except on the express authority of the Board.
- 19.2 For the purposes of section 98 of the Act, the Association may indemnify, or effect insurance for, each current and past Board member, Branch Committee member, employee and other officer of the Association (each a “Protected Person”) to the maximum extent permitted by law. The Association will indemnify each such Protected Person from and against all actions, claims, costs (including legal, costs and expenses on a solicitor and client basis) losses, proceedings, damages, liabilities, or demands suffered or incurred by them in the discharge of their duties except when losses occur through dishonesty or wilful misconduct. Without limiting this clause 19.2, the Association may with the prior approval of the Board, by deed or agreement grant in favour of any Protected Person an express indemnity to the same effect as, or which coverage may overlap with, that conferred by this clause 19.2, but subject to the restrictions and exceptions provided for in the Act.
- 19.3 No Board member, Branch Committee member or other officer of the Association is liable for:
- a. the acts or defaults of any other Board Member, Branch Committee member, employee or other officer; or
 - b. for any loss or expense happening to the Association or Branch, unless the same happens from that person’s dishonesty or wilful misconduct.

20. Alteration of Rules

- 20.1 The Association may alter or replace these Rules at an Annual General Meeting or a Special General Meeting by a resolution passed by a two-thirds majority of those Members present and voting provided that no alteration or replacement of the Rules can be approved if it affects the personal benefit Rule or the winding up Rule (Rules 21 and 22) unless the Board certifies that the proposed amendment is consistent with the true purpose and intent of these Rules.
- 20.2 At least 14 days before the Annual General Meeting or Special General Meeting the Association will give to all Members written notice of the proposed motion to alter or replace the Rules, the reasons

for the proposal, and any recommendations the Board has.

- 20.3 When a Rule alteration or replacement is approved by an Annual General Meeting or a Special General Meeting the Rule alteration or replacement will not take effect until the Association has filed the alteration or replacement with the Registrar of Incorporated Societies.

21. Winding Up

21.1 If the Association is wound up:

- a. The Association's debts, costs and liabilities will be paid out of the Association's money and other assets. For avoidance of any doubt the Association's money and other assets includes money and other assets sitting with the Branches;
- b. No distribution of the Association's money and other assets may be made to any Member;
- c. Money and other assets of the Association which may be left over after payment the amounts under a. may be given or transferred to some other not-for-profit entity having objects similar to the Objects and having in its constitution a similar prohibition on the distribution 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.

22. Payment to Members

- 22.1 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.
- 22.2 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 from these Rules and shall be included or deemed implied in any rules replacing these Rules.