



TRUSTEE CORPORATIONS ASSOCIATION of NEW ZEALAND INC.

RULES

1 Constitution and Name

- 1.1** The Trustee Corporations Association of New Zealand Incorporated ("the Association") is constituted by resolution dated 21 June 2007.

2 Objects

- 2.1** The primary objects of the Association are to:

- (a) Promote high professional, ethical and service standards in the business activities of its Members;
- (b) Promote public awareness of the important role played by professional Trustees ("Trustees"), and licensed supervisors ("Supervisors") in New Zealand's commercial and community life and of the services offered by them;
- (c) Contribute to the development and implementation of sound public policy in respect of:
 - (i) The provision, regulation or performance generally of Trustee, Supervisor and similar services;
 - (ii) The application of those services within the community including establishing, managing or administering private trusts and similar engagements, or public trusts or similar engagements having investor protection or other public benefits;
 - (iii) Other matters relating to the business activities of its Members and their clients;
- (d) Provide, or foster the provision, of work-based education programmes to improve the skills and capabilities of the people employed or engaged in the business activities of its Members
- (e) Liaise, associate or affiliate with New Zealand or overseas organisations having similar objects to the Association;
- (f) Liaise with New Zealand government and regulatory agencies on matters relating to the business activities of its Members;
- (g) Do any act or thing incidental or conducive to the attainment of any of the above objects.

2.2 Without detracting from the primary objects, the secondary objects of the Association are to:

- (a) Set and encourage compliance with any Codes of Practice that promote the observance of high ethical, business and service standards by its Members;
- (b) Make policies and regulations to advance the attainment of any of the objects in clauses 2.1 or 2.2.

2.3 Notwithstanding any other provision, the Association shall not expend any money for the sole personal or individual benefit of any Member.

3 Powers

3.1 In addition to its statutory powers, the Association may:

- (a) Use such of its funds to pay the costs and expenses of furthering or carrying out its objects, and for that purpose may employ such people as may seem expedient, and
- (b) Exercise all the powers that a Trustee or Supervisor might exercise, and
- (c) Invest in any investment in which a Trustee might invest.

4 Classes of Membership

4.1 In these Rules the term "Member" may refer to a Licensed Member, Limited Licensed Member or an Associate Member or any of them as the context requires. The classes of membership and the method by which Members are admitted to different classes are as follows:

- (a) **Licensed Members**
Licensed Members are incorporated bodies that are designated as "licensees" with respect to forms of supervision of securities or retirement villages pursuant to the Financial Markets Supervisors Act 2011 or any successor legislation ("the Act") that constitute a significant business in terms of revenue received for providing those services as determined by the Management Committee.
- (b) **Limited Licensed Members**
Limited Licensed Members are incorporated bodies that are designated as "licensees" with respect to any forms of supervision of securities or retirement villages pursuant to the Act but which don't meet the criteria required to be a Licensed Member.
- (c) **Associate Members**
Associate Members are incorporated or unincorporated bodies supportive of the objects of the Association admitted to Associate Membership under Rule 5 and which have not ceased to be an Associate Member under Rule 7.

4.2 The Chairman or the Executive Director (if any), as the case may be, shall keep a membership register of Members recording their class of membership, names, addresses and telephone numbers.

4.3 Members shall advise the Chairman or the Executive Director, as the case may be, of

- 4.4** any change of name, address or telephone number.
- 4.5** All Members, shall promote the interests and the objects of the Association and shall do nothing to bring the Association into disrepute.
- 4.6** All Members shall have no rights other than those expressly specified in these Rules or conferred on them from time to time by resolution of the Association.

5 Admission to Membership

- 5.1** Applicants for membership of the Association as Licensed Members, Limited Licensed Members or Associate Members shall:
- (a) meet such admission criteria determined by the Association from time to time including licensing and character considerations and the significance of the part of the applicant's business that comprises of acting as a Trustee or Supervisor;
 - (b) complete any application form provided; and
 - (c) supply such information as may be required by the Association.
- 5.2** The Association shall consider all membership applications and may, if it thinks fit, interview membership applicants.
- 5.3** The Association shall have complete discretion whether or not to admit to membership any applicant, and shall advise the applicant of its decision, and that decision shall be final.
- 5.4** The Association shall, in its discretion, consider all applications for a change of type of membership and, subject to compliance by the relevant Member with Rule 5.1 above, may amend the type of membership of any Member.

A Member can only be a Licensed Member if it is a licensee pursuant to the Act and satisfies the criteria under Rule 4.1 (a).. A Limited Licensed Member can only be a Limited Licensed Member if it is a licensee pursuant to the Act and does not meet the criteria to be a Licensed Member under Rule 4.1(a). A Member can only be an Associate Member if they do not hold a license under the Act.

6 Subscriptions and Levies

- 6.1** The annual subscription for different classes of membership shall be set by resolution of the Association at one of its meetings. Any amount payable on joining the Association shall be determined by the Association by resolution.
- 6.2** The Association may by resolution impose a levy or levies on Licensed Members, Limited Licensed Members or Associate Members, or all of them, of such sum or sums as it thinks fit.
- 6.3** Any Member failing to pay any levy, within one calendar month of due date (as determined from time to time by the Association) shall be considered to be non-financial and shall (without being released from the obligation of payment) have no membership rights and shall not be entitled, without leave of the Association, to

participate in any Association activity until all the arrears are paid in full.

7 Cessation of Membership

7.1 Any Member may resign from membership by written notice to the Chairman or the Executive Director, as the case may be, and each such resignation shall take effect from a date determined by the Association and if not so determined, from the end of the Association's then current financial year.

7.2 The Association may declare that a Member admitted to membership under Rule 5 is no longer a Member (from the date of that declaration or such date as may be specified) if:

- (a) That Member or any director thereof is convicted of any indictable offence or offence for which a convicted person may be imprisoned under the Act, the Securities Act 1978, the Financial Markets Authority Act 2011 or the Financial Markets Conduct Act 2013 (or any successor or related legislation), is adjudicated bankrupt, or makes a compromise with creditors, or (if a body corporate) is wound up or placed in receivership or liquidation; or
- (b) In the opinion of the Association (whose decision thereon, after giving the Member an opportunity to be heard, shall be final) by reason of any failure or failures of that Member to comply with any Codes of Practice, policies or regulations set or made by the Association under clause 2.2, or any other acts or omissions of that Member, the Association has been, or is likely to be, brought into disrepute.

7.3 A Member whose membership is suspended or terminated under Rules 7.1 or 7.2 shall remain liable to pay all subscriptions and levies to the end of the Association's then current financial year.

8 Re-admission of Former Members

8.1 Any former Member may apply for re-admission in the manner prescribed for new applicants under Rule 5, but if the former Member's membership was terminated under Rule 7.2, the applicant shall not be readmitted without the approval of a General Meeting.

9 The Management Committee

9.1 The Management Committee of the Association shall comprise the following persons:

- (a) an authorised representative of each of the Licensed Members; and
- (b) any other person to whom the Association extends an invitation, whether on a temporary or permanent basis.

9.2 For the purposes of these Rules:

- (a) The authorised representative of a Licensed Member means the Chief Executive of that Licensed Member, or, such other person as the Chief Executive of that Licensed Member may from time to time nominate;

- (b) In the event the authorised representative of a Licensed Member is from time to time unable to participate in the proceedings of the Management Committee, a nominee of that authorised representative may participate in those proceedings as fully and effectually as if the nominee were the authorised representative of that Licensed Member;
- (c) References to Licensed Members, or to members of the Management Committee shall, where the context permits, include references to the authorised representatives.

10 Election or Appointment of Officers

- 10.1** The Chair of the Management Committee (who must be the authorised representative of a Licensed Member) shall be elected annually by the Licensed Members and subject to Rule 10.4 shall hold office until the next annual election of the Chair.
- 10.2** No person shall serve as Chair for longer than the date of the next annual election unless:
 - (a) the Association recommends to the Members that the term shall be extended for another term until the next annual election, and
 - (b) this recommendation is passed by the unanimous resolution of those Licensed Members, Limited Licenced Members and Associate Members present and voting at a General Meeting.
- 10.3** Notwithstanding Rule 10.2, no person shall serve as Chairman for longer than the date of the next annual election following completion of three consecutive years as Chair.
- 10.4** If the position of Chair becomes vacant between annual elections, the Management Committee shall fill that vacancy from amongst the authorised representatives of the Licensed Members. Any such appointee shall hold office only until the next annual election.
- 10.5** An Executive Director (who may but need not be a member or employee of a Licensed Member or a Limited Licensed Member may be appointed from time to time by the Association and may be paid such remuneration or honorarium as the Association may from time to time determine. The Executive Director shall undertake such duties and responsibilities as the Association may from time to time determine.
- 10.6** If, and for so long as, the position of Executive Director is vacant the Association may appoint from time to time some other person or persons (who may but need not be a member or employee of a Licensed Member, Limited Licensed Member or Associate Member to be the secretary and/or treasurer.

11 Management by the Management Committee

- 11.1** From the end of each Annual General Meeting until the end of the next, the Association shall be administered, managed and controlled by the Management Committee, which shall be accountable to the Members for the establishment and implementation of the policies.
- 11.2** Subject to these Rules and the resolution of any General Meeting, the Management Committee may exercise all the Association's powers, other than those required by statute or by these Rules to be exercised by the Association in General Meeting.

- 11.3** The Management Committee shall meet at such times and places and in such manner as it may determine and otherwise where and as convened by the Chair or the Executive Director as the case may be.
- 11.4** The Chair shall preside over all Management Committee meetings. In the Chair's absence some other Management Committee member elected for the purpose by the meeting shall preside over that meeting. The presiding officer shall have a deliberative vote only.
- 11.5** The Management Committee may:
- (a) co-opt any Licensed Member, Limited Licensed Member or Associate Member to the Management Committee for specific business, a specific purpose, or for a limited period, or generally until the next Annual General Meeting; or
 - (b) otherwise invite any Licensed Member, Limited Licensed Member, Associate Member or any other person to attend any meetings and participate in the proceedings of the Management Committee for such purposes and on such terms and for such period as the Management Committee from time to time thinks fit.
- 11.6** The quorum for Management Committee meetings is not less than three Licensed Members.
- 11.7** The Management Committee may appoint subcommittees consisting of such persons as it thinks fit and with or without power to co-opt. Such subcommittees shall have no power to commit the Association to any financial expenditure without express authority by resolution of the Management Committee.
- 11.8** The Management Committee or any subcommittee may act by resolution approved by not less than three Members of the relevant Committee voting either through a telephone conference call or through a written ballot.
- 11.9** The Management Committee may from time to time make regulations for the conduct and control of Association activities.
- 11.10** The Chair shall, in addition to all other duties described in these Rules, generally oversee and direct the affairs and business of the Association.
- 11.11** Other than as prescribed by statute or these Rules, the Management Committee may regulate its proceedings as it thinks fit.
- 11.12** Subject to statute, these Rules and the resolutions of General Meetings, the decisions of the Management Committee on the interpretation of these Rules and all matters dealt with by it in accordance with these Rules and on matters not provided for in these Rules shall be final and binding on all Members.

12 Executive Director's Duties

- 12.1** If an Executive Director is appointed by the Management Committee under Rule 10.5, the Executive Director shall have the following duties:
- (a) Record the minutes of all General Meetings, Management Committee

meetings and subcommittee meetings (if any). All such minutes when confirmed by the next such meeting and signed by the presiding officer of that meeting shall be *prima facie* evidence that the meeting was duly called, and shall *prima facie* be a true and correct record of what occurred at that meeting;

- (b) Provide a copy of the signed minutes for each meeting to all Members, if requested;
- (c) Hold the Association's records, documents and books;
- (d) Deal with and answer correspondence; and
- (e) Perform such other duties as directed by the Management Committee or the Chairman.

13 Registered Office

- 13.1** The Registered Office of the Association shall be at such place as the Management Committee from time to time determines.

14 Finance

- 14.1** The Chairman or the Executive Director, as the case may be, shall keep such books of account as may be necessary to provide a true record of the Association's financial position, report on the Association's financial position to each Management Committee meeting, and present an annual Statement of Accounts (Statement of Financial Performance and Statement of Financial Position) to the Annual General Meeting.
- 14.2** Bank accounts (or a member's trust account) shall be maintained and the execution of all cheques and withdrawal forms shall be signed on behalf of the Management Committee in accordance with the arrangements agreed by the Management Committee from time to time.
- 14.3** All money received on account of the Association shall be banked within seven days of receipt.
- 14.4** All accounts paid or for payment shall be submitted to the Chairman for confirmation or approval of payment.
- 14.5** The Association's financial year shall commence on 1 July of each year and end 30 June of the following year.
- 14.6** The Annual General Meeting each year may, but need not, appoint an auditor to audit the annual accounts of the Association for the ensuing year and provide an opinion of the same. If any such auditor is unable to act, the Management Committee shall appoint a replacement auditor.

15 Execution of Documents

- 15.1** The Chairman or the Executive Director, as the case may be, shall retain the Common Seal of the Association.
- 15.2** Documents shall be executed for the Association pursuant to a resolution of the Management Committee:

- (a) By affixing the Common Seal, witnessed by either the Chair or the Executive Director, if an Executive Director has been appointed, and countersigned by some other member of the Management Committee including the Chair if the Executive Director is the other witness, or
- (b) When the document is not required by statute to be executed under seal, by the Chair or the Executive Director (if any) or some other member of the Management Committee.

16 General Meetings

- 16.1** The Annual General Meeting shall be held between 1 July and 30 November in each year. The Management Committee may call Special General Meetings.
- 16.2** General Meetings shall be held at such times and places and in such manner as determined by the Management Committee including by audio or audio and visual communication or a combination of them.
- 16.3** At least 14 days before any General Meeting, the Chairman or the Executive Director, as the case may be, shall advise all Members by written notice of the business to be conducted at the General Meeting (including in the case of Annual General Meetings copies of the Annual Report, and annual Statement of Accounts), and the failure for any reason of any Member to receive such notice shall not invalidate the meeting or its proceedings.
- 16.4** General Meetings may be attended by all Members regardless of class of membership, but only financial Licensed Members and financial Limited Licensed Members are entitled to vote.
- 16.5** A financial Licensed Member shall be entitled to two votes. A Financial Limited Licensed Member shall be entitled to one vote. All members entitled to vote shall be entitled to vote by written proxy in favour of another Member who is present and entitled to vote, but no other proxy voting shall be permitted.
- 16.6** The quorum for General Meetings is not less than three Licensed Members.
- 16.7** The Chair shall preside over all General Meetings. In the absence of the Chair, some other Management Committee member elected for the purpose by the Meeting shall preside over that Meeting. The presiding officer shall have a deliberative vote only.
- 16.8** Voting at General Meetings shall be by voices, by show of hands or, on demand of the Chair or of any Licensed Member or Limited Licensed Member present, by secret ballot. On any secret ballot each Member to the number of votes as set out in rule 16.5.
- 16.9** The business of the Annual General Meeting shall be:
 - (a) Minutes of the previous General Meeting(s);
 - (b) Annual Report of the Chair;
 - (c) Election of the Chair;

- (d) Annual Statement of Accounts;
- (d) Motions of which notice has been given;
- (e) Approval of a budget for the next financial year;
- (f) General business

16.10 Any Member wishing to give notice of any motion for consideration at any General Meeting shall forward written notice of the same to the Chairman or the Executive Director, as the case may be, not less than 28 days before the date of the meeting. The Management Committee may consider all such notices of motion and provide recommendations to Members in respect thereof.

17 Miscellaneous

17.1 In the event of, and for so long as, one or more Licensed Members of the Association becomes, or is, a subsidiary of another Licensed Member, the subsidiary and parent entities shall be entitled to appoint only one authorised representative between them to the Management Committee and to exercise only two votes at General Meetings of the Association. The test of whether a Licensed Member is a subsidiary of another Licensed Member for this purpose shall be determined by whether or not that situation subsists for the purposes of the legislation governing the parent entity.

18 Alteration of Rules

18.1 These Rules may be amended or replaced by resolution of any General Meeting passed by unanimous resolution of those Licensed Members and Limited Licensed Members present and voting at the Meeting.

18.2 Any proposed motion to amend or replace these Rules shall be signed by at least two Licensed Members and given in writing to the Chairman or the Executive Director, as the case may be, at least 28 days before the General Meeting at which the motion is to be considered and accompanied by a written explanation of the reasons for the proposal.

18.3 At least 14 days before the General Meeting at which any such proposal is to be considered, the Chairman or the Executive Director, as the case may be, shall forward by written notice, the proposed motion, the reasons for the proposal and of any recommendations from the Management Committee in respect thereof, to all Members.

19 Winding up

19.1 The Association may be wound up under the provisions of the Incorporated Societies Act 1908.

19.2 If the Association is wound up, the surplus assets after payment of all debts, costs and liabilities shall be disposed of for such purposes as may be determined in accordance with the Incorporated Societies Act 1908 or by resolution, but no distribution shall be made to any Member.