

**Rules**  
**of the**  
**Safe Home Equity Release Plans Association**

1. Name
2. Interpretation
3. Registered Office
4. Objects and Powers
5. Membership
  - 5.1 Members of Association
  - 5.2 Criteria for Membership
  - 5.3 Applications for Membership
  - 5.3a Associate Membership
  - 5.4 Retirement and Termination of Membership
  - 5.5 Register of Members
  - 5.6 Members to Supply Accounts
6. General Meetings
  - 6.1 Annual General Meetings
  - 6.2 General Meetings
  - 6.3 Special General Meetings
  - 6.4 Convening of General Meetings
  - 6.5 Notice of General Meetings
  - 6.6 Representative of Members at General Meetings
  - 6.7 Proceedings at General Meetings
  - 6.8 One Half Majority Required to Pass Resolution
  - 6.9 Voting Rights
  - 6.10 Resolution by Entry in the Minute Book
7. Elected Officers
8. Committees
  - 8.1 Executive
  - 8.2 Special Committees
  - 8.3 Disciplinary Committee
  - 8.4 Proceedings of Committees
9. Executive Director and Employees
  - 9.1 Executive Director
  - 9.2 Other Employees
10. Finance
  - 10.1 Annual Subscriptions
  - 10.2 Levies
  - 10.3 Miscellaneous
11. Seal
12. Accounts
13. Dissolution
14. Alteration to Rules

Safe Home Equity Release Plans Association

## Rules

### 1. Name

The name of the Association is the "Safe Home Equity Release Plans Association."

### 2. Interpretation

2.1 In these rules, unless the context otherwise requires:

"Act" means the Incorporated Societies Act 1908, as amended or substituted from time to time;

"Allowable Votes" means the number of votes allocated to each Member pursuant to rule 6.9.2;

"Authorised Representative" means, in relation to a Member, an employee of that Member who has been, and continues to be, authorised by that Member to represent it for the purposes of these Rules.

"Balance date" means the 31st day of March or such other date that has been determined by the Association in general meeting as the Association's balance date;

"Committee" means the Executive, a Special Committee, or the Disciplinary Committee;

"Corporation" means any body corporate or other entity which has a legal personality or existence distinct from those of its members, whether that body corporate or other entity is incorporated in New Zealand or elsewhere;

"Disciplinary Committee" means the Disciplinary Committee of the Association constituted in accordance with rule 8.3;

"Executive Director" means the Executive Director of the Association appointed pursuant to rule 9.1;

"Financial year" means a period commencing on the day after a balance date and ending on the next succeeding balance date;

"General meeting" means an annual general meeting, a general meeting, or a special general meeting, of the Association held pursuant to rule 6;

"Member" means a member of the Association;

"Person" includes a body of persons, whether corporate or unincorporate;

"Special Committee" means a Special Committee of the Association constituted in accordance with rule 8.2.

2.2 In these rules, unless the context otherwise requires:-

(a) Words importing the singular shall include the plural and vice versa and words importing the masculine shall include the feminine and neuter genders;

(b) A reference to an Act of Parliament or Regulations means that Act or those Regulations, or any re-enactment thereof, together with any amendments thereof;

(c) A reference to these rules includes any amendment thereof;

(d) Headings of rules have been inserted for the sake of convenience only and shall not be taken to form any part of the context or to assist in the interpretation of the rules.

### **3. Registered Office**

The registered office of the Association shall be at such place as may from time to time be decided on by the Executive.

### **4. Objects and Powers**

4.1 The objects of the Association are non-profit and are as follows:

(a) To promote and maintain an environment for the home equity release sector where members can operate freely subject only to competitive discipline in the provisions of financial services.

(b) Through consultation, presentation of evidence, analysis, submissions, communications, media liaison and other activities to ensure the Government is aware of Members' views on current issues, and does not act in a manner prejudicial to the interests of the Members and their clients.

(c) To promote and maintain a code of practice to encourage acceptable standards.

(d) To promote the activities and enhance the public understanding of Members services.

(e) To provide a forum for discussion and exchange of industry information and statistics.

(f) To do anything which is or shall be calculated to advance or be in the interests of the industry to which Members of the Association belong.

4.2 The Association may at any time or times exercise any one or more of the following powers:

(a) Make representations to, hold discussions with, provide information and advice to, and negotiate with:-

(i) The Government of New Zealand and any of its departments or agencies; or

(ii) Any authority (whether governmental, municipal, or otherwise), commission of inquiry, association, organisation, and person; or

(iii) Any future financial services sector regulator,

on any matter that in the opinion of the Association, may affect the interests of the Association, its Members, or others.

(b) Make submissions to Parliament and/or any Government Committee on any bills, petitions, or other matters before it that, in the opinion of the Association, may affect the interests of the Association, its Members, or others; and promote bills, petitions, regulations, by-laws, or other measures, that, in the opinion of the Association, advance the interests of the Association or its Members.

(c) Adopt such means as appropriate to making known any of the objects of the Association, and to promote the interests of the Association and its Members and, in particular, by advertising in the press, by means of radio and television, the internet, or by circulars, and by publication of pamphlets and periodicals, and by any other means.

(d) Appoint and employ officers and employees in accordance with rule 9.

(e) Raise subscriptions and levies from Members in accordance with rule 10.

(f) Use the funds of the Association in payment of the costs and expenses of furthering or carrying out the objects of the Association or any of them, including the employment of officers and employees, professional advisers, counsel, solicitors, accountants, and agents, as may appear necessary.

(g) Establish, subsidise, promote, co-operate with, or become a member of, or act as or appoint agents or delegates for managing and co-operating with, any other organisations whether incorporated or not with objects altogether, or in part, similar to those of the Association or of benefit to the Association.

(h) Establish and administer sub-groups within the Association which will promote and advance certain specialised services.

(i) To purchase, take on lease or otherwise acquire any real or personal property of any kind necessary or convenient for the purposes of the Association.

(j) To sell, let, exchange or otherwise dispose of all or any part of the property of the Association upon such terms and conditions and for such consideration as is deemed fit.

(k) To invest or lend the funds of the Association not required for immediate use in or on such investments as is deemed fit, with the power to vary investments.

(l) To borrow or raise any sums of money for the purposes of the Association upon such terms as to interest or otherwise as is deemed fit and to secure the same together with interest there on in such manner as is deemed fit.

(m) To arrange the form of any conference of members held to promote the objects or interests of the Association and to engage such person or persons as may be determined for the presentation and discussion of papers at such conference and if necessary to pay out of the fund of the Association any fees or expenses of such person or persons so engaged or in connection with arranging such conference.

(n) Amalgamate or enter into any arrangement for union of interests, co-operation, or otherwise with any association, company, society, institution, or other person; and transfer all or any part of the property, assets, liabilities, or engagements of the Association to any such person.

4.3 Notwithstanding anything expressed or implied in these rules,:

(a) The activities of the Association shall not be carried on for the personal pecuniary profit or benefit of any member or individual or associated person; and

(b) No member of the Association or any person associated with a member shall participate in or materially influence any decision made by the organisation in respect of the payment to or on behalf of that member or associated person of any income, benefit or advantage whatsoever. Any such income shall be reasonable and relative to that which would be paid in an arm's length transaction (being the open market value).

4.4 Subject to rule 4.3 hereof, the objects and powers set forth in any paragraph of rules 4.1 and 4.2 shall not be restrictively construed but the widest interpretation shall be given thereto, and (except where the context expressly so requires) they shall not be in any way limited or restricted by reference to or inference from any other object or power set forth in, or from the terms of, any other such paragraph. None of those paragraphs, or any of the objects, or powers specified therein, shall be deemed subsidiary or ancillary to any other of those paragraphs, objects, or powers, and the Association shall have full power to achieve or exercise, or to endeavour to achieve or exercise, separately all or any of those objects or powers.

## **5. Membership**

### **5.1 Members of Association**

The Members of the Association shall consist of those Corporations that are upon the adoption of these rules Members of the Association, together with such Corporations and other persons as may hereafter be elected to membership.

### **5.2 Criteria for membership**

Membership of the Association shall be limited to those Corporations and other persons:

(a) Who carry on business in New Zealand; and

(b) Who, in the opinion of the Association in general meeting, conform with the criteria for admission and

continuance of membership set by the Association in general meeting from time to time; and

(c) Whose business includes the provision of home equity release products or services.

### 5.3 Applications for membership

5.3.1 An application to be admitted to membership of the Association shall be in the form or to the effect following, or as otherwise determined by the Executive from time to time:

"...(“the Applicant”) hereby applies to be admitted to membership of the Safe Home Equity Release Plans Association and, if elected to membership, agrees to be bound by the rules of the Association and any rules and regulations made thereunder in force from time to time.

Signed by the Applicant"

5.3.2 A Corporation or other person shall become a Member of the Association if its application for membership is approved by the Association's Executive. The Association may refuse to approve an application for membership for any reason, and shall not be obliged to give reasons for any such refusal.

5.3.3 Any Corporation or other person whose application for membership of the Association is approved by the Association's Executive shall become a Member of the Association at the end of the Executive's meeting at which its application is approved.

#### 5.3A Associate Membership

5.3A.1 As an alternative to full membership of the Association, it shall in special circumstances be possible for organisations to apply for Associate Membership.

5.3A.2 Applications for Associate Membership shall be in the form set out in Rule 5.3.1, but:

(a) shall be headed "Application for Associate Membership"; and

(b) shall refer to "Associate Membership" rather than to "membership".

5.3A.3 A corporation or other person may apply for, and be granted, Associate Membership if the Executive of the Association is satisfied that the applicant for Associate Membership is otherwise associated, by contract or otherwise, as to make Associate Membership of the Association desirable.

5.3A.4 All applications for Associate Membership will be considered and, if thought fit, granted by the Executive in its absolute discretion. In exercising its discretion, the Executive shall be mindful amongst other things of the need not to undermine the Association's intent and objects.

5.3A.5 A corporation or other person granted Associate Membership of the Association is:

(a) not entitled to be represented at, and to attend, meetings of the Association (unless the Executive decides otherwise);

(b) entitled to receive, and use in the course of its business, all publications, newsletters and other information produced by the Association for Members; and

(c) is bound by the Association's Rules and any code of practice from time to time in force pursuant to Rule 4.1(c);

but otherwise has none of the rights and obligations given to a Member by these Rules.

5.3A.6 An Associate Member shall immediately cease to be an Associate Member, if the Executive is satisfied, in its discretion, that the association between the Associate Member and the Association that existed at the time that Associate Membership was granted no longer exists to such a degree as to make continued Associate Membership inappropriate.

5.3A.7 For the avoidance of doubt, references to "Member" in the Association's Rules do not include an Associate Member.

#### 5.4 Retirement and termination of membership

5.4.1 Any Member may at any time retire from the Association by giving to the Executive Director notice in writing to that effect, and such retirement shall take effect at the end of six months after the date of receipt by the Executive Director of the notice, subject to the payment by the Member of all subscriptions, levies, and other payments due by it to the Association. The Executive Director shall notify all Members of the receipt by the Executive Director of a notice of retirement and the name of the retiring Member and the effective date of such retirement.

#### 5.4.2 Where a Member:

- (a) does not comply with the criteria for membership set out in rule 5.2 (a) to (d); or
- (b) has contravened or failed to comply with any of these rules (other than those referred to in paragraph (d) below) or the Code of Practice of the Association; or
- (c) has intentionally injured or attempted to injure the interests of the Association; or
- (d) has not paid any amount payable by it to the Association under these rules within three months from the date the payment was due-

its membership of the Association may be terminated by resolution of the General Meeting.

#### 5.4.3 Where the membership of a Corporation or other person is terminated pursuant to rule 5.4.2:

- (a) it shall cease to be a Member of the Association at the end of the meeting of the Executive at which its membership is terminated; and
- (b) the Executive Director shall send to that person written notice of the termination and the reasons therefor as soon as reasonably practicable.

#### 5.5 Register of Members

5.5.1 The Executive Director shall keep, at the registered office of the Association, a Register of Members in which shall be entered the names and addresses of the Members, the dates at which they became Members and such other information as the Executive from time to time specifies.

5.5.2 The register of members shall be sufficient evidence of the membership of the Association, unless the contrary is proved.

#### 5.6 Members to supply certificate of compliance with Code of Practice

Every member shall send to the Executive Director a copy of its certificate of compliance with the code of practice as and when requested by the Executive Director.

The Executive Director shall have absolute discretion in determining the form and content of the certificate of compliance required under this rule.

### **6. General Meetings**

#### 6.1 Annual general meetings

A general meeting of the Association shall be held within three months after the end of each financial year, and this meeting shall be called an annual general meeting.

#### 6.2 Other general meetings

6.2.1 General meetings of the Association shall be held at intervals as the Association in general meeting approves from time to time and these meetings shall be called general meetings.

6.2.2 An annual general meeting of the Association shall also be a general meeting for the purposes of these rules.

### 6.3 Special general meetings

6.3.1 The Executive Director shall convene a general meeting of the Association:

(a) Within 7 days of receiving a requisition to do so signed by any number of members, who in aggregate hold twenty-five percent (25%) or more of the Allowable Votes of the Association; or

(b) When directed to do so by the Chairperson of the Association.

Every such requisition or direction shall specify the nature of the business to be conducted at the meeting.

6.3.2 General meetings convened pursuant to rule 6.3.1 shall be called special general meetings.

6.3.3 If the Chairperson of the Association so directs, a general meeting may be both a special general meeting and an annual general meeting and/or a general meeting of the Association.

### 6.4 Convening of General Meetings

6.4.1 The Executive Director shall convene every general meeting of the Association by ensuring that notice of the meeting is given to every Member in accordance with rule 6.5.

6.4.2 Every general meeting shall be held at such place, day and hour as the Chairperson of the Association appoints.

### 6.5 Notice of General Meetings

6.5.1 Notice of a General Meeting shall be given to a Member in writing or electronically or by handing, or sending by telex, telegram, facsimile, post or electronic means, the notice to the Member at least seven (7) days prior to the date of the meeting. Any notice sent by telex shall be deemed to be received on the date on which it is sent. Any notice sent by telegram shall be deemed to be received on the day following the day on which it is sent. Any notice sent by facsimile shall be deemed to be received on the day it is sent. Any notice sent by post shall be deemed to be received three (3) days after the day on which it was posted. Any notice sent by electronic means shall be deemed to be received on the day on which it leaves the telecommunication devices of the sender.

6.5.2 Every notice of a general meeting shall state the place, day and hour of the meeting and the nature of the business to be conducted at the meeting:

Provided that:

(a) a notice calling an annual general meeting need not state that the business of the meeting includes the consideration of the Association's accounts and the Executive's and auditor's reports, the election of officers, and the appointment of and fixing of the remuneration of the auditors;

(b) a notice calling a general meeting need not state the exact words of any resolution proposed to be moved or passed at the meeting, so long as the notice includes a reasonable description of the matter to be determined.

6.5.3 A general meeting of the Association shall notwithstanding that it is called by shorter notice than that specified in rule 6.5.1, be deemed to have been duly called if it is so agreed by all the Members entitled to attend that meeting and duly ratified at the meeting.

6.5.4 The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a general meeting by, any Member shall not invalidate the proceedings at that meeting.

### 6.6 Representative of Members at general meetings

6.6.1 Subject to Rule 6.6.2, the Authorised Representative for the time being of each Member shall be the Member's representative at any general meeting of the Association.

6.6.2 If the Authorised Representative of a Member is unable to attend a general meeting of the Association, the member may appoint another senior executive of the Member to act as the Member's representative for that meeting.

6.6.3 At a general meeting of the Association, the representative of a Member shall have all the powers that the Member has in respect of that meeting and a vote by the representative shall bind the Member.

## 6.7 Proceedings at general meetings

6.7.1 The Chairperson of the Association shall preside as Chairperson at every general meeting of the Association. If there is no Chairperson of the Association, or if the Chairperson is not present within 15 minutes after the time appointed for the commencement of a general meeting, or is unwilling to act, the Deputy Chairperson of the Association shall be chairperson of the meeting. If there is no Deputy Chairperson of the Association or if the Deputy Chairperson is not present within 15 minutes after the time appointed for the commencement of the meeting or is unwilling to act, the Members present shall elect one of their number to be Chairperson of the meeting.

6.7.2 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be so many persons who hold in aggregate forty percent (40%) or more of the total Allowable Votes. If no quorum is present within half an hour from the time appointed for the commencement of a general meeting, the meeting shall be deemed to be adjourned to a date, time and place appointed by the Chairperson of the meeting.

6.7.3 The Chairperson of a general meeting may, with the consent of the meeting, (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

6.7.4 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or after the declaration of the result of the show of hands) demanded by any Member. The demand for a poll may be withdrawn at any time.

6.7.5 Unless a poll is so demanded, a declaration by the Chairperson that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, or of the result of an election, and an entry to that effect in the minute book of the Association shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded.

6.7.6 Except as provided below, if a poll is duly demanded, it shall be taken in such manner as the Chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting or the result of the election for which the poll was demanded. A poll demanded on the election of a Chairperson of a meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairperson of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

## 6.8 One half majority required to pass resolution

6.8.1 Subject to rule 6.8.2, no resolution put to the vote of a general meeting shall be carried or deemed to be carried as a resolution unless at least fifty percent (50%) of the total votes cast by those present and entitled to vote, vote in favour thereof.

6.8.2 Rule 6.8.1 shall not apply in respect of a resolution passed for the purposes of Section 24 of the Act, which relates to voluntary windings up.

## 6.9 Voting Rights

6.9.1 At a general meeting, on a show of hands, every Member represented at the meeting shall have one vote.

6.9.2 On a poll at a general meeting every Member shall have one (1) vote.

6.9.3 No Member shall be entitled to vote unless it has paid to the Association all amounts then due by it to the Association.

#### 6.10 Resolution by entry in the minute book

Anything that may be done by resolution of the Association in general meeting may be done, without a meeting, by means of an entry in the minute book of the Association signed or assented to by Members who are entitled to at least fifty (50%) percent of the votes of all Members on a poll at a general meeting at that time, provided that notice of the resolutions to be entered into the minute book has been given to all Members in accordance with rule 6.5. Any such entry:

(a) may consist of several documents in like form each signed or assented to by one or more Members; and

(b) may be signed on behalf of a Member by the Authorised Representative of that Member; and

(c) may be assented to by a letter, telegram, cable, or telex signed or sent by the Authorised Representative of the Member.

### **7. Elected Officers**

7.1 At each annual general meeting of the Association, the Members shall elect a Chairperson and Deputy Chairperson of the Association. Subject to rule 7.2, the Chairperson and Deputy Chairperson elected at an annual general meeting shall hold office as such until the finish of the next succeeding annual general meeting of the Association.

7.2 The office of Chairperson or Deputy Chairperson shall be vacated if the Chairperson or Deputy Chairperson, as the case may be:

(a) Becomes bankrupt or makes any arrangement or composition with his creditors generally; or

(b) Becomes of unsound mind, or is found to be a lunatic; or

(c) Resigns his office by notice in writing to the Executive Director; or

(d) Ceases to be the Authorised Representative of a Member being an Authorised Representative at the time of election; or

(e) Is removed from office by the Association in general meeting for any reason.

7.3 If the office of Chairperson or Deputy Chairperson is vacated pursuant to rule 7.2, at the next general meeting of the Association (or, if the office is vacated by virtue of rule 7.2 (e), at the same general meeting as that at which the Chairperson or Deputy Chairperson, as the case may be, is removed from office) the Association in general meeting shall elect another Chairperson or Deputy Chairperson, as the case may be, to hold office as such until the finish of the next annual general meeting of the Association.

7.4 No person shall:

(a) Be elected as Chairperson or Deputy Chairperson of the Association unless they are the Authorised Representative of a Member at the time of election, except that a person who is not an Authorised Representative and determined by the Executive to be independent of all Members may be elected as Chairperson;

(b) Be elected as Chairperson of the Association if they are an Authorised Representative of a Member at the time of the election and if they have been elected as Chairperson at the three (3) immediately preceding annual general meetings.

The election of a person as Chairperson or Deputy Chairperson of the Association shall be conclusive evidence that the person is not prohibited from being elected as such by virtue of this rule.

## **8. Committees**

### **8.1 Executive**

8.1.1 There shall be an Executive of the Association comprising:

- (a) The Chairperson, and Deputy Chairperson of the Association; and
- (b) Such other persons, not being less than one (1) nor more than six (6) who are elected to the Executive in accordance with this rule 8.1 (in these rules called "the elected members of the Executive"); and
- (c) The Executive Director in a non-voting capacity.

8.1.2 At each annual general meeting of the Association, the Members shall elect one or more persons to be members of the Executive in addition to the Chairperson, Deputy Chairperson and Executive Director of the Association. Subject to rule 8.1.4, the elected members of the Executive shall hold office as such until the finish of the next succeeding annual general meeting of the Association.

8.1.3 If at any time there are less than three (3) elected members of the Executive (including the Chairperson and the Deputy Chairperson), the Association in general meeting may elect one or more persons to hold office as elected members of the Executive until the finish of the next succeeding annual general meeting of the Association.

8.1.4 A person shall cease to be an elected member of the Executive if they:

- (a) Become bankrupt or make any arrangement or composition with their creditors generally; or
- (b) Become of unsound mind, or is found to be a lunatic; or
- (c) Resign their office by notice in writing to the Executive Director; or
- (d) Ceases to be the Authorised Representative of a Member; or
- (e) Is removed from office by the Association in general meeting for any reason.

8.1.5 If at any time there is no elected member of the Executive, the Association shall, at its next general meeting, elect one or more persons to hold office as elected members of the Executive until the finish of the next succeeding annual general meeting of the Association.

8.1.6 No person shall be elected as a member of the Executive unless they are the Authorised Representative of a Member at the time of election. The election of a person as a member of the Executive shall be conclusive evidence that the person is not prohibited from being elected as such by virtue of this rule.

8.1.7 The Executive shall have authority to manage and control the property and affairs, and to exercise the functions and powers, of the Association, except that:

- (a) It shall conform with any resolution of the Association in general meeting; and
- (b) It shall not have any function or power that is required by the Act or by these rules to be exercised by the Association in general meeting.

8.1.8 The Chairperson of the Association shall be Chairperson of the Executive.

8.1.9 Unless otherwise determined by the Executive, the Executive shall meet at least once a month.

### **8.2 Special Committees**

8.2.1 Either the Association in general meeting or the Executive may at any time or times establish, on such terms and conditions as it may determine from time to time, a Special Committee in respect of any matter. A Special Committee may comprise one or more persons.

8.2.2 Unless the Association in general meeting otherwise determines at any time or times, a Special Committee established by the Executive shall be an advisory committee only and shall not have any authority or power, or any function other than that of advising the Executive.

8.2.3 A Special Committee shall have such powers as are given to it from time to time by the Association in general meeting and, unless otherwise determined by the Association in general meeting, shall be responsible and report to the Executive.

8.2.4 A Special Committee may be dissolved at any time:

- (a) By the Association in general meeting, where the committee was established by the Association; or
- (b) In any other case, by either the Association in general meeting or the Executive.

### 8.3 Disciplinary Committee

8.3.1 There shall be a Disciplinary Committee of the Association comprising:

- (a) The Chairperson and Deputy Chairperson for the time being of the Association; and
- (b) Such other persons, (in these rules called the "elected members of the Disciplinary Committee") not being less than one, who:
  - (i) In the case of the Disciplinary Committee for the period ending with the finish of the next annual general meeting succeeding the registration of these rules, were elected as members of the first Disciplinary Committee at the annual general meeting of the Association at which these rules were adopted; or
  - (ii) Are elected to the Disciplinary Committee in accordance with this rule 8.3; and
  - (iii) Each of whom confirms that they have no conflict of interest in hearing a particular case.

8.3.2 At each annual general meeting of the Association, the Members shall elect one or more persons to be members of the Disciplinary Committee in addition to the Chairperson and Deputy Chairperson of the Association. Subject to Rule 8.3.4, the elected members of the Disciplinary Committee shall hold office as such until the finish of the next succeeding annual general meeting of the Association.

8.3.3 The Association in general meeting may at any time elect another member or members of the Disciplinary Committee to hold office as such until the finish of the next succeeding annual general meeting of the Association.

8.3.4 A person shall cease to be an elected member of the Disciplinary Committee if they:

- (a) Become bankrupt or make any arrangement or composition with their creditors generally; or
- (b) Become of unsound mind, or is found to be a lunatic; or
- (c) Resign their office by notice in writing to the Executive Director; or
- (d) Is removed from office by the Association in general meeting for any reason.

8.3.5 If at any time there is no elected member of the Disciplinary Committee, the Association shall, at its next general meeting, elect one or more persons to hold office as elected members of the Disciplinary Committee until the finish of the next succeeding annual general meeting of the Association.

8.3.6 A person:

- (a) May be elected as a member of the Disciplinary Committee, whether or not they are an officer or employee of a Member of the Association; and
- (b) May be re-elected as a member of the Disciplinary Committee from time to time without limit; but
- (c) May not be elected as or be a member of the Disciplinary Committee while they are an Executive

Director, or an employee, of the Association.

8.3.7 The functions of the Disciplinary Committee shall be to investigate, hold hearings and make recommendations to the Association in general meeting concerning allegations of breach by a Member of the Association of these rules or the Code of Practice of the Association.

8.3.8 The Chairperson of the Association shall be the Chairperson of the Disciplinary Committee but, if the Chairperson of the Association thinks fit, the Chairperson of the Association may appoint another member of the Disciplinary Committee to act as Chairperson at any or all of the meetings of the Committee.

8.3.9 No matter shall be referred to the Disciplinary Committee unless:

- (a) There is a written statement of the matter to be referred;
- (b) The Executive Director has either reviewed or (with the approval of the Chairperson of the Association) initiated the written statement and considers, in his absolute discretion, that the matter is appropriate for reference to the Executive; and
- (c) The Executive has reviewed the written statement and considers, in its absolute discretion, that the matter is appropriate for reference to the Disciplinary Committee.

8.3.10 Where a matter is referred to the Disciplinary Committee

- (a) Where the matter refers to any particular Member, a copy of the written statement relating to the matter shall be given to that Member;
- (b) The Disciplinary Committee shall take such steps as it thinks fit to investigate the matter thoroughly, and shall give to every Member referred to in the written statement relating to the matter an opportunity to be heard;
- (c) The Disciplinary Committee shall cause proper minutes to be made of the proceedings of all meetings of the Disciplinary Committee and all business transacted at such meeting if purported to be signed by the Chairperson of such meeting or by the Chairperson at the next succeeding meeting shall be conclusive evidence without further proof of the facts therein stated;
- (d) The Disciplinary Committee shall present a report to the Association in general meeting in relation to the matter, and the report shall include a specific recommendation to the effect-
  - (i) That the matter should be dismissed; or
  - (ii) That the matter should be sustained, and that the Member or Members concerned should be censured; or
  - (iii) That the matter should be sustained, and that the Member or Members should be expelled from the Association.

The Association shall consider the report of the Disciplinary Committee at the general meeting at which the report is presented, and shall decide whether to dismiss the matter, to censure the Member or Members concerned, or to expel the Member or Members concerned from the Association.

#### 8.4 Proceedings of Committees

8.4.1 Except for matters specifically provided for by these rules or, in the case of a Special Committee, by the Association in general meeting or the Executive, the members of a Committee may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit.

8.4.2 Questions arising at any meeting of a Committee shall be decided by a majority of votes. Every member of a Committee shall have one vote. In the case of an equality of votes, the Chairperson of the meeting shall have a second or casting vote.

8.4.3 The quorum for a meeting of the Executive or the Disciplinary Committee shall be three (3) persons.

8.4.4 A member of a Committee may at any time summon a meeting of the Committee. However, unless all members of the Committee otherwise agree, no meeting of the Committee shall be held earlier than 48 hours after notice of the meeting is given to all Members:

Provided that it shall not be necessary to give notice of a meeting to any member of the Committee who is for the time being absent from New Zealand.

8.4.5 A member of a Committee who is in any way, whether directly or indirectly, interested in a contract, arrangement or proposal with the Association or other matter before the Committee shall declare the nature of his interest at a meeting of the Committee. A member of the Disciplinary Committee who has an interest in a matter before the Committee shall not be present at meetings of the Committee at which the matter is being investigated or considered.

8.4.6 A resolution in writing, signed or assented to by all the members of the Executive or a Special Committee for the time being entitled to receive notice of a meeting of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form each signed or assented to by one or more members, and may be assented to by a letter, telegram, cable, or telex or facsimile signed or sent by the member.

8.4.7 Minutes of all meetings of the Executive or a Special Committee shall be kept by the Executive Director (or, in respect of any particular meeting or meetings, by an employee of the Association appointed by the Executive Director for that purpose), and shall be circulated to all Members of the Association by the Executive Director as soon as practicable.

## **9. Executive Director and Employees**

### **9.1 Executive Director**

9.1.1 The Executive shall from time to time appoint an Executive Director of the Association for such period and on such terms (including remuneration) as the Committee thinks fit and may revoke or vary any such appointment at any time.

9.1.2 The Executive Director shall have such functions, duties, and powers as are conferred on them by these rules, or entrusted to them by the Executive.

9.1.3 The Executive Director will open and operate one or more Bank Accounts in the name of the Safe Home Equity Release Plans Association in New Zealand or elsewhere as the Executive Director considers necessary for the conduct of the business of the Association. All money received or paid as a result of the operations of the Association shall be paid into these accounts as the Executive Director so directs.

9.1.4 The Executive Director shall be responsible and report to the Executive.

### **9.2 Other Employees**

9.2.1 The Association shall employ such other persons and on such terms (including remuneration) as the Executive Director from time to time thinks fit. Any such person shall have such functions, duties and powers as are entrusted to him by the Executive Director.

## **10. Finance**

### **10.1 Annual Subscriptions**

10.1.1 The Members each shall pay to the Association in respect of each financial year the annual subscription which is determined by resolution of the Association at the annual general meeting held during that year.

10.1.2 Having regard to the particular nature of the business of a Member and the inappropriateness of the annual subscription obligations, the Executive may, at its absolute discretion, discount or reduce the annual subscription for a new member on such terms and for such period as the Executive deems fit,

such discount or reduction to be disclosed to the membership at the next annual general meeting.

10.1.3 For those persons who join the Association after the annual general meeting, their annual subscription shall be determined at the time they become a Member of the Association. In determining the final amount of the annual subscription for such Members, a pro-rata adjustment to the annual subscription shall be made.

10.1.4 Members' annual subscriptions for a financial year shall be due and payable to the Association within one month of the date of the annual general meeting held during that year.

## 10.2 Levies

10.2.1 If at any time or times any funds are required for the purposes of the Association in addition to the amount of annual subscriptions payable pursuant to rule 10.1, the funds shall be raised by a levy on Members.

10.2.2 No levy shall be made on members except by resolution of the Association in general meeting.

10.2.3 The amount of a levy payable by each Member may vary as between Members.

10.2.4 Unless the Member otherwise agrees, the total levies payable by any member in any financial year shall not exceed the annual subscription payable by that Member for the financial year.

## 10.3 Miscellaneous

10.3.1 Annual subscriptions and levies paid to the Association shall not be refundable or rebatable in any circumstances.

10.3.2 Each Member agrees with the other Members and with the Association to pay all annual subscriptions and amounts levied upon it in accordance with this rule 10, and further agrees that any amount due from it in respect of any such subscription or levy shall constitute a debt to the Association recoverable by legal process in any appropriate Court in New Zealand.

10.3.3 The funds of the Association shall be under the control of the Executive and may be used or invested as set out in rule 4.2.

## 11. Seal

The Association shall not have a Seal.

Where required, documents shall be attested to by:

(a) any two of the following persons, namely any Member of the Executive, and any person appointed as an authorised signatory by the Executive; or

(b) any one of the persons specified in paragraph (a) and the Executive Director.

## 12. Accounts

12.1 A copy of the latest accounts shall be sent to the Members with the notice of each annual general meeting.

## 13. Dissolution

If upon the winding up or dissolution of the Association there remain after the satisfaction of all its debts and liabilities any funds or property whatsoever, the same shall not be paid to or distributed among the members of the Association, but shall be given or transferred to some other non-profit body having objects similar to the objects of the Association, or to some other charitable organisation, within New Zealand.

#### **14. Alteration to Rules**

(a) These rules may be altered, added to, or rescinded and new rules may be made, by the Association in general meeting.

(b) Notwithstanding rule 14 (a), no addition to or alteration or deletion of the non-profit objects (rule 4.1), personal benefit clause (rule 4.3(a)), payments to members clause (rule 4.3(b)) or the dissolution clause (rule 13) shall be made without the approval of the Inland Revenue Department. The provisions and effect of this clause shall not be removed from this document and shall be included and implied into any document replacing this document.