

The Incorporated Societies Act 1908
Constitution and Rules
of
Tomatoes New Zealand Incorporated

1 Definitions

1.1 In these rules unless the context otherwise requires:

“**Act**” means the Incorporated Societies Act 1908;

“**AGM**” means the annual general meeting of TNZ Inc;

“**Board**” means the committee of Directors of TNZ Inc and the TNZ Inc Chair constituted in terms of clause 6;

“**Business Manager**” means the business manager appointed by the Board to undertake administrative and secretarial duties on behalf of TNZ Inc;

“**Director**” means a person elected as Director of the Board pursuant to these rules;

“**general meeting**” means any meeting of Members;

“**HortNZ**” means Horticulture New Zealand Incorporated;

“**Levy**” means a levy in respect of the growing of tomatoes pursuant to the Commodity Levies (Vegetables and Fruit) Order 2013 (“the Order”) or such order made in substitution for the Order pursuant to the Commodity Levies Act 1990, or pursuant to any voluntary levy agreed to be paid by commercial growers of tomatoes;

“**Member**” means a person who has qualified for, and been accepted as, a Member, as set out in clause 4.1, and includes both corporate and unincorporated bodies;

“**month**” means a calendar month;

“**person**” includes an individual, firm, company, corporation, partnership, incorporated or unincorporated body of persons, joint venture (incorporated or unincorporated), Maori incorporation, incorporated charitable trust board, Maori Trust Board, any public, territorial or regional authority, any government, and any agency of any government or of any such authority;

“**Registrar**” means the Registrar of Incorporated Societies;

“**rules**” means these rules as they may be amended from time to time;

“**TNZ Inc**” means the incorporated society governed by these rules and known as Tomatoes New Zealand Incorporated or by such other name as TNZ Inc adopts from time to time;

“TNZ Inc Chair” means the chairperson of TNZ Inc from time to time elected as set out in clause 6.3.

2 Name and Registered Office

- 2.1 The name of the society is Tomatoes New Zealand Incorporated (“TNZ Inc”).
- 2.2 The registered office of TNZ Inc is at Level 4, Co-operative Bank House, 20 Ballance Street, Wellington or at such other place as the Board may decide from time to time. Notice of any change of situation of the registered office must be sent to the Registrar.

3 Objects

- 3.1 The principal object for which TNZ Inc has been established is to identify industry wide issues and initiatives that can be dealt with on a whole of industry level to facilitate the industry vision, for Members. At the date of adoption of these rules the industry vision is for Members to be economically and environmentally sustainable growers of healthy, safe and nutritious fresh tomatoes in a progressive industry that will attract investment.
- 3.2 In order to attain the principal object, TNZ Inc will:
- (a) Establish and maintain in New Zealand an association of growers of tomatoes for the mutual benefit and assistance of the Members, and act as a forum for the exchange of information and for the discussion of matters of common concern between tomato producers;
 - (b) Represent the common views of Members to any relevant organisations eg: policy makers, media, consumers and the general public and when necessary advocate on behalf of Members.
 - (c) Provide relevant information on matters impacting on production, marketing and exporting to assist in decision making by Members.
 - (d) Provide a coordinated industry approach to market analysis and research on fresh tomatoes for the long term benefit of all participants in the industry;
 - (e) Identify information available or the need for information to be developed and provide or encourage appropriate forums and methods for this information to be shared and used amongst Members where collective benefits exist;
 - (f) Provide and raise funds for the purpose of TNZ Inc by levies, borrowing, subscriptions, annual or otherwise, or by any other means;
 - (g) If considered appropriate, affiliate, take shares in, become members of, or otherwise cooperate with any other person, body or organisation having similar objects and contribute to the funds of any such body or organisation;

- (h) Generally do all such things and to take all such initiatives as TNZ Inc may from time to time consider beneficial to its Members in order to attain the above mentioned objects or any of them including, if considered appropriate, to apply for status as a recognised product group, (and apply to be excluded from such recognition) pursuant to the New Zealand Horticulture Export Authority Act 1987.

3.3 For the avoidance of doubt, but without limiting the objects of TNZ Inc:

- (a) TNZ Inc may carry out the objects of HortNZ in so far as they relate to the interests of growers of tomatoes for sale on the fresh domestic and fresh export market as a sector of the New Zealand horticulture industry; and
- (b) TNZ Inc will apply for affiliated membership with HortNZ.

4 Membership and Classes of Members

Classes of membership

- 4.1 **Members:** A person will be eligible to become a Member if that person is actively engaged in the commercial production of tomatoes in New Zealand for sale on the fresh domestic or fresh export markets and who, in the preceding 12 month period (or part thereof), has paid a Levy, (but excluding tomatoes grown for processing).
- 4.2 **Life Members:** The Board may award life memberships to those Members who have provided extended periods of service to the Board (as determined from time to time by the Board) and/or who have also served as Chair. Life Members shall not have voting rights unless the Life Member remains a Member.
- 4.3 The Board may also grant:
 - (a) Awards of merit, to Members who provided extended service to the Board; and
 - (b) Lifetime achievement awards, to persons (who need not have been Members) who have provided outstanding service to the fresh tomato industry.
- 4.4 **Register:** The Board shall maintain a register of Members and classes of Members and prescribe the documentation required to establish membership.

Application for membership

- 4.5 Any person who wishes to become a Member of TNZ Inc must complete the official TNZ Inc membership application form for the relevant class of membership, and shall pay any joining fee and the subscription then current (if any) for that class of membership. On payment of such amounts, and acceptance of membership by the Board, the applicant will become a Member of TNZ Inc.

Ceasing to be a Member and changing class of membership

- 4.6 Any Member may resign from membership by notice to the Business Manager and every such notice shall unless otherwise expressed take effect from the end of the then current financial year.
- 4.7 If any Member is convicted of an indictable offence or is adjudged a bankrupt or makes a composition with creditors or if any effective resolution or order of court is passed or made for the winding up or dissolution of any company or other body corporate which is a member, then that Member shall without release from any prior liability to TNZ Inc forthwith cease to be a Member, but TNZ Inc may in its discretion reinstate the Member.
- 4.8 A person will cease to be a Member if:
- (a) in the reasonable opinion of the Board, the person has ceased to qualify for membership in accordance with clause 4.1; or
 - (b) the person has not, in the 12 month period preceding the relevant date, paid a Levy.

4.9 Expulsion

The Board may at any time by letter invite any Member within a specified time to retire for breach of these rules, or any regulations or by-laws made by TNZ Inc, or if the Member no longer meets any qualification for membership, and, in default of retirement, the Board may within three calendar months from the date of the letter expel the Member from membership of TNZ Inc.

5 Subscriptions/Fees/Levies

- 5.1 Each year the Board may recommend:
- (a) A fee to be paid by new Members as a joining fee; and
 - (b) A subscription charge payable by any Member in respect of each of TNZ Inc's financial years; and
 - (c) Any special charge or levy (other than a Levy) including any amount required to fund compliance with TNZ Inc's cost-sharing obligations under any deed signed committing TNZ Inc to the Government Industry Agreement for Biosecurity Readiness and Response ("GIA").
- 5.2 The recommendations of the Board for the fees, subscriptions, charges or levies noted above shall be considered by Members at each AGM and approved or varied by the AGM, as Members think fit. The decision of the AGM as to the amounts of joining fees, subscriptions, charges or levies for the then current financial year shall be final and binding on all Members provided that no joining fee, subscription, charge or levy shall be less than the amount recommended by the Board.

- 5.3 Any Member failing to pay the appropriate amount within one month of its due date may be liable to have that Member's name removed from the register of Members and membership terminated.
- 5.4 The Board shall have the power to reduce pro rata any amounts for Members joining in the second half of any financial year.

6 Board of Directors of TNZ Inc

- 6.1 The Board of TNZ Inc shall comprise:
- (a) **Directors:** 6 individuals holding office from time to time as the Directors. Directors are elected by Members as set out in clause 6.2. The persons holding office at the date of adoption of these rules as the members of the Tomatoes New Zealand Executive shall be the initial Directors; and
 - (b) **TNZ Inc Chair:** The TNZ Inc Chair, appointed as set out in clause 6.3. The person holding office as Chair of Tomatoes New Zealand will be the initial TNZ Inc Chair, who will hold office until the conclusion of the first AGM following the date of adoption of these rules.
- 6.2 The Directors of TNZ Inc shall be elected as follows:
- (a) Each Director shall hold office for a term of 3 years, or any earlier date of retirement or death.
 - (b) Retiring Directors are eligible for re-election, and there is no maximum number of terms that an individual can be re-elected as a Director.
 - (c) At each AGM at least one-third of the Directors (or such number as nearly equates with one-third), excluding the TNZ Inc Chair (if that person is also a Director), shall retire from office. Those to retire shall be those who have been in office longest since they were last elected or re-elected. As between Directors elected on the same day, those to retire shall be determined by lot, unless agreed otherwise.
 - (d) Retiring Directors shall be deemed to be re-elected if there is no opposing candidate for election unless it is resolved at the AGM not to fill the vacated office, or if a resolution for the re-election of the Director is put to the meeting and is lost.
 - (e) A Director must retire if they cease to be qualified to hold office as set out in clause 6.5.
 - (f) In each year, the Business Manager will organise for a postal and/or online vote to take place to elect a new Director to fill an upcoming vacancy, due to expiry of the 3 year term, or otherwise. The Business Manager will first call for nominations for the position of Director, with the nomination period opening in each year 70 days prior to the date fixed for the AGM, and closing 51 days prior to the date fixed for the AGM.

- (g) Postal voting forms will be included with the notice of meeting for the AGM, and the postal vote shall be completed at least 7 days prior to the date for holding the AGM of TNZ Inc so that the result is available at the AGM.
- (h) All Members entitled to receive a notice of meeting for the AGM are entitled to participate in the postal vote for the Director.
- (i) A retiring Director shall act as a Director throughout the AGM at which that person retires.

6.3 The TNZ Inc Chair shall be selected by the Directors and need not be a Member or a Director. The TNZ Inc Chair will hold office for a term of one year from the date of appointment, subject to clause 6.1(b).

6.4 The Directors shall on an annual basis elect from amongst the Directors a Vice Chair who shall hold office otherwise on such terms and for such period as determined by the Directors.

6.5 The following persons shall be eligible for election as Directors:

- (a) Any Member who is a natural person; or
- (b) Any director or shareholder of a Member that is a company; or
- (c) Any partner, employee or nominated representative of a Member that is a partnership or joint venture (whether incorporated or not); or
- (d) Any member of a committee of management of a Member that is a Maori incorporation; or
- (e) Any trustee of a Member that is a trust (including a Maori Trust Board); or
- (f) any employee of a Member;

being the person nominated as the principal representative of that Member in respect of dealings with TNZ Inc. Each Member may only nominate one person for the purposes of this clause.

6.6 The office of Director or of TNZ Inc Chair shall be vacated:

- (a) If the person is absent from two consecutive Board meetings without special leave; or
- (b) If the person is or becomes bankrupt or suspends payment or compounds with his or her creditors; or
- (c) If the person dies or loses mental capacity; or
- (d) (In the case only of a Director) if he or she ceases to be a Member.

- 6.7 If the Chair shall resign from office, die, become bankrupt, or in some other way become incapable of carrying out his or her duties as Chair for a period of more than 6 weeks then the Vice Chair shall assume the position of Chair and hold office until the Directors appoint a replacement Chair.
- 6.8 Any casual vacancy in the Board may be filled by the remaining Directors appointing a duly qualified person to fill such vacancy and the person so appointed shall hold office until the next AGM. The existence of a vacancy shall not affect the validity of any acts or decisions on the part of the Board provided that there continues to be a quorum present.
- 6.9 A Director or the TNZ Inc Chair may be removed by an ordinary resolution of the Members at any general meeting of which notice specifying the intention to propose the resolution has been duly given, and the Board may suspend any Director (or TNZ Inc Chair) who persists in any conduct injurious to TNZ Inc.
- 6.10 All acts done by any Director, the TNZ Inc Chair, or by a committee of the Board or by any person acting as a member of such committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director, TNZ Inc Chair, or of the persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every person had been duly appointed and was qualified to be a Director or TNZ Inc Chair or committee member.
- 6.11 Notwithstanding anything to the contrary in these rules, the Board shall be entitled to call upon the services of any person whom it may think desirable to add to its Directors on account of any special skill in any field of the production, marketing, packaging, processing or distribution of tomatoes as a co-opted member of the Board. The co-opted person shall be permitted to participate in Board decision making but shall not have a vote in respect of a Levy matter unless that co-opted person is a Member. The period of co-option shall be limited to 12 months, but the Board may re-appoint a person for a further period (or periods) of 12 months.

7 Powers of the Board

- 7.1 Management and control of the affairs and business of TNZ Inc shall be vested in its Board.
- 7.2 The general functions and powers of the Board shall be:
- (a) To control, administer and manage the property and affairs of TNZ Inc;
 - (b) To carry out, effect and perform the objects of TNZ Inc according to these rules.
- 7.3 The Board may employ such employees or contractors either honorary or otherwise upon such terms and conditions and remuneration as the Board thinks fit and may from time to time remove and replace any person so appointed.
- 7.4 The borrowing powers of TNZ Inc shall be vested in the Board.

- 7.5 Proper minutes shall be kept of all meetings of TNZ Inc and the Board and the minutes of all meetings of the Board shall be open to inspection by all Members.

8 Board Meetings

- 8.1 The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings and procedures as they may think fit.
- 8.2 The Board shall where appropriate preserve the confidentiality of information provided to them and the Board may formulate appropriate guidelines and undertakings to protect such confidential information.
- 8.3 Any Director shall have the right to appoint an alternate to attend a meeting of the Board in his or her stead by notifying the TNZ Inc Chair or Business Manager prior to commencement of that Board meeting. Such alternate shall for all purposes have the power of the appoint or and be deemed to be a Director for the duration of the meeting.
- 8.4 Three Directors and the TNZ Inc Chair (or Vice Chair) present or represented by an alternate shall constitute a quorum.
- 8.5 Voting at meetings of the Board will be on the basis of one vote per Director. Subject to clause 8.9 the TNZ Inc Chair shall be entitled to a casting as well as a deliberative vote unless the vote relates to the Levy.
- 8.6 A resolution in writing signed by all Directors and by the TNZ Inc Chair (including by way of electronic circulation and signature) shall be as valid and effectual as if it had been passed at a meeting duly constituted and held.
- 8.7 The use of telephones or other means of communication (such as Skype) of a quorum of Directors and the TNZ Inc Chair whether or not any one or more of the Directors or the TNZ Inc Chair is out of New Zealand shall be deemed to constitute a meeting of the Board and all the provisions in these rules as to meetings of the Board shall apply to such meetings provided that:
- (a) All persons entitled to receive notice of meeting are notified by telephone or other means of communication and are linked by telephone or such other means for the duration of the meeting; and
 - (b) At the commencement of the meeting each of the persons taking part in the meeting acknowledges that they are able to hear each of the other persons taking part.
- 8.8 At any meeting of the Board there may be present by direction or invitation such employees, contractors or other persons as the Board decides.
- 8.9 The TNZ Inc Chair shall preside at every meeting of the Board unless absent from that meeting. In the TNZ Inc Chair's absence the Vice Chair may chair the meeting and have

all powers, functions and duties of the TNZ Inc Chair except for the right to have a casting vote.

9 Sub-Committees

- 9.1 The Board may from time to time confer upon Directors or sub-committees of Directors such powers of the Board under these rules as they see fit and shall determine the duties those Directors or sub-committees are required to perform and may as the Board deems expedient withdraw, revoke or vary such powers or duties.
- 9.2 Any sub-committee shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board.
- 9.3 The meetings and proceedings of any sub-committee shall be governed by the same rules as apply to the regulation of meetings and proceedings for the Board, as far as they are applicable and are not superseded by any other regulations made under these rules.
- 9.4 Any Director or representative appointed to chair a sub-committee will be responsible for reporting in writing to the Board on items or activities from those meetings.

10 Remuneration

- 10.1 Members and the Board and any sub-committees may be paid such remuneration by way of honorarium as may be determined by TNZ Inc at the AGM.
- 10.2 The persons described in clause 10.1 may also be paid travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board, a sub-committee or any general meetings of TNZ Inc or in connection with the business of the TNZ Inc and in addition may be paid such sum as may be determined by the Board (by prior resolution) in respect of any extra service performed by any such person within New Zealand or elsewhere either in respect of attendance at any such meeting or in respect of any special exertions in travelling abroad or otherwise for any of the purposes of the TNZ Inc.

11 Commodity Levy

- 11.1 Any decision in relation to the imposition of a Levy will require approval by Members by way of a referendum. In order for approval to be granted for imposition or variation of a Levy, both the following conditions must be met:
- (a) the votes in favour of imposition or variation of the Levy (ie the “YES” votes) must represent more than 50% of all votes cast from all Members (on a one Member one vote basis); and

- (b) those votes in favour must represent more than 50% of the gross proceeds of sale (before deduction of costs and charges) of tomatoes sold by Members who voted in the referendum, during the 12 month period prior to the Levy referendum.

- 11.2 Should any proposal be made as to change or expenditure of the Levy, such matters must be referred to the Members at a general meeting. Only Members who pay a Levy may vote on matters relating to the Levy. On such matters each Member shall have a dual vote. In order for any proposal to change the Levy rate or in respect of the expenditure of the Levy to be approved the specific decision will require both a majority of votes by number of Members and a majority by weighted vote. For the weighted voting part of this process each Member will be entitled to 1 vote for every \$100 (or part thereof) of Levy paid. The weighting of each Member's vote will be based on the dollar value of Levy paid, directly or indirectly, during the Member's previous full financial year prior to the notice of meeting for the relevant meeting being given. In order to be entitled to a weighted vote, each Member must complete and return to the Business Manager within 7 days of the date of the meeting a declaration setting out the amount of Levy paid in the Member's previous full financial year prior to the relevant notice. Such declaration may be subject to audit and/or a requirement to provide a statutory declaration before being accepted.
- 11.3 Any person who is a grower of fresh tomatoes and who pays a Levy but who is not a Member of TNZ Inc (for example because of a conscientious objection) may attend the general meeting and will have speaking rights only in respect of the rate of the Levy and expenditure of the Levy by TNZ Inc.

12 General Meetings

- 12.1 Any Member shall be entitled to attend and speak at a general meeting of TNZ Inc.
- 12.2 The TNZ Inc Chair shall serve as chairperson of the general meeting. If the TNZ Inc Chair is absent, the Vice Chair shall serve as chairperson of the general meeting. In the absence of both persons, the Members present shall elect one of the Directors present as chairperson of the meeting.
- 12.3 Voting at general meetings shall be as follows:
- (a) **Entitlement to vote:** Voting entitlements will be determined at 5 pm on the date 28 days prior to the date fixed for the general meeting. Persons whose name and address are recorded in the membership lists of TNZ Inc at that time will be the only persons entitled to vote at the general meeting.
 - (b) **Voting:** Unless otherwise provided by these rules, voting at a general meeting shall be by show of hands on the basis of one vote per Member present in person or represented by proxy. A poll may be directed by the TNZ Inc Chair, if demanded by not less than 10 Members present at the meeting. On any poll, each Member present or represented by proxy will have one vote. The TNZ Inc Chair shall have a casting as well as a deliberative vote.

- (c) **Proxies:** If any Member is unable to attend at any general meeting, that Member may by notice in writing delivered to the Business Manager not later than 48 hours prior to the time fixed for such general meeting appoint any other person entitled to attend any such general meeting to be the proxy of that Member and any proxy so appointed shall be entitled to exercise the vote available to that Member under these rules.
- (d) **Exclusion from attendance:** Members present at a general meeting may by resolution duly passed by a majority of not less than two-thirds of the Members present and voting, exclude from attendances at and participation in a general meeting any person who, in the opinion of the Members, is or has been guilty of wilful disobedience of the rules or of any by-laws made under those rules or of conduct inconsistent with the character and interests of TNZ Inc, or of conduct repugnant to the objects of TNZ Inc or of its Members.
- (e) **Quorum:** Ten(10) Members personally present or represented by proxy shall form a quorum at all general meetings of TNZ Inc.

Annual general meetings

- 12.4 A meeting of all Members of TNZ Inc, called the "AGM", shall be held once in each financial year, on such date as is determined by the Board. All Members have the right to attend the AGM.
- 12.5 Forty-nine (49) days' written notice shall be given to Members of the AGM.
- 12.6 The agenda of the AGM shall include the following:
 - (a) Receiving and considering a report from the TNZ Inc Chair;
 - (b) Consideration and if appropriate approval of TNZ Inc's financial statements for the preceding financial year;
 - (c) Appointment of an auditor;
 - (d) Setting the subscription (if any) payable for membership;
 - (e) Confirming the election of Directors;
 - (f) Generally reviewing TNZ Inc's operations in the preceding financial year;
 - (g) Considering any remits initiated by Members or by any Director by written notice to the Business Manager in the manner set out in clauses 12.7 to 12.9;
 - (h) Conducting such other general business as the Members think fit (by majority approval of Members present at the AGM, provided that such business shall not be put to a resolution).

- 12.7 **Remits:** In the event that a Member of the TNZ Inc wishes to have a certain matter considered at an AGM pursuant to clause 12.6(g) of these rules then the relevant person (“the Proposer”) shall give notice in writing to the TNZ Inc Chair and the Business Manager of the remit not less than 28 days prior to the date fixed for the AGM.
- 12.8 **Notice of remit:** If the notice referred to in clause 12.7 of these Rules is received by the TNZ Inc Chair and the Business Manager not less than 28 days prior to the date fixed for the AGM, the Business Manager must give notice of the Remit and the text of any proposed resolution to all Members entitled to receive notice of the AGM not less than 21 days prior to the date fixed for the AGM, **provided that** the TNZ Inc Chair has the right to exclude the notice of a remit or statement prepared by a proposer which the TNZ Inc Chair considers to be defamatory, frivolous or vexatious.
- 12.9 **Written proposals:** If the Board intends that Members may vote on a remit, it must give the proposer the right to include in or with the notice referred to in 12.7 a statement of not more than 1,000 words prepared by the proposer in support of the remit, together with the name and address of the proposer.

Special general meetings

- 12.10 Twelve (12) Members may by requisition addressed to the TNZ Inc Chair and the Business Manager demand that a special general meeting of TNZ Inc shall be called to consider any matter set out in such requisition and upon receipt of such requisition the Business Manager shall proceed to call such a meeting with not less than 21 days’ notice to Members entitled to attend the same. The Board may also be able to call such a special general meeting by giving the same notice to Members.
- 12.11 All provisions relating to operation of general meetings contained in these rules shall, to the fullest extent possible, apply to any special general meeting called pursuant to clause 12.10.

13 Records

- 13.1 The Board shall ensure that:
- (a) A record is kept of all proceedings of TNZ Inc and the Board;
 - (b) A record is kept of all Members, their addresses, qualification for membership detail and the date on which they became Members of TNZ Inc;
 - (c) All correspondence, records and reports connected with TNZ Inc are kept for a reasonable period; and
 - (d) A record of monies due to TNZ Inc, or payments made by TNZ Inc is kept in a correct record of such receipts and payments.

14 Balance Date

- 14.1 The balance date for TNZ Inc shall be 31 March each year or such other date as the Board may determine.

15 Auditor

- 15.1 An auditor, being a person who is not a member, but who is a current member of the Institute of Chartered Accountants of New Zealand shall be appointed by the Board, and such appointment shall be confirmed by the members at the AGM.
- 15.2 It shall be the duty of the auditor to examine and check the financial records of TNZ Inc and see they are properly kept and balanced and also to audit the annual financial statements of TNZ Inc.

16 Common Seal

- 16.1 The common seal of TNZ Inc shall be affixed by the Board who shall be responsible for the safe custody and control of the seal.
- 16.2 Whenever the common seal of TNZ Inc is required to be affixed to any document the seal shall be affixed pursuant to a resolution of the Board or of TNZ Inc by two members of the Board and the persons affixing the seal shall at the same time sign the document to which the seal is affixed.

17 TNZ Inc Funds

- 17.1 All moneys received by or on behalf of TNZ Inc shall forthwith be paid to the credit of TNZ Inc in a bank account nominated by the Board and all cheques or withdrawal slips drawn on the account shall be signed by two people appointed for that purpose by the Board.
- 17.2 TNZ Inc may from time to time without restriction invest and reinvest with or without security and upon such terms as the Board thinks fit the whole or any part of its funds not required for the immediate business of TNZ Inc.
- 17.3 No member or any person associated with a member shall participate in or materially influence any decision made by TNZ Inc or the Board in respect of any payment to or on behalf of that members or associated person of any income, benefit or advantage whatsoever.
- 17.4 Any such income paid shall be reasonable and relative to that which would be paid in an arm's length transactions (being the open market value). The provisions and effect of this clause 17.4 shall not be removed from these rules and shall be included and applied into any document replacing this clause 17.4.

18 Borrowing

- 18.1 TNZ Inc may in addition to the other powers vested in it borrow or raise money from time to time by the issue of debentures, bonds, mortgages or any other security founded or based on all or any of the property and/or rights of TNZ Inc or without any security and upon such terms as to priority and otherwise as TNZ Inc thinks fit.

19 Winding Up

- 19.1 TNZ Inc may be wound up voluntarily if TNZ Inc, at a general meeting of its Members, passes a simple majority resolution requiring TNZ Inc to be wound up, and that resolution is confirmed by a simple majority resolution at a subsequent special general meeting called for that purpose and held not earlier than thirty days after the date on which the original resolution to be confirmed was passed.
- 19.2 If TNZ Inc is wound up, any surplus assets after payment of TNZ Inc's liabilities and the expenses of the winding-up shall be transferred to an organisation with similar objectives determined by the Board or to some other charitable organisation or purpose within New Zealand.

20 Rules and Regulations

- 20.1 These rules may be altered, added to, rescinded or otherwise amended by a resolution passed by a majority of those present in person or by proxy at a general meeting of which 21 days' notice has been given. No alteration shall be made to the rules that would enable the income or other funds of TNZ Inc to be used for or be available for the private pecuniary profit of any Member.
- 20.2 No addition to or alteration of the non-profit aims, personal benefit clause or the winding up clause shall be approved. 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.
- 20.3 Every notice given in terms of clause 20.1 shall set out the wording and purpose of the proposed alteration, addition, rescission or other amendment to these rules.
- 20.4 Duplicate copies of every alteration, addition, rescission or amendment to these rules shall forthwith be delivered to the Registrar in accordance with the requirements of the Act.
- 20.5 The Board may from time to time make, amend or rescind regulations or by-laws not inconsistent with these rules governing the affairs of TNZ Inc and the procedures at its meetings.
- 20.6 The decision of the Board on the interpretation of these rules or any matter or thing not contained in these rules and which pertains to TNZ Inc shall be conclusive and binding on all Members unless revoked at an AGM or special general meeting.