

THE INCORPORATED SOCIETIES ACT 1908
RULES OF THE
IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INCORPORATED

1 DEFINITIONS USED IN RULES, AND INTEPRETATION

1.1 Definitions: In these Rules:

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

Annual General Meeting means a General Meeting of the Association held under Rule 12.

Association means the Imported Motor Vehicle Industry Association Incorporated.

Authorised Representative means a representative of a Member, appointed under Rule 4.7.

Branch means a branch of the Association as defined in Rule 4.1.

Branch Committee means the governing committee or executive of a Branch, by whatever name called.

CEO means the chief executive officer of the Association appointed by the Executive under Rule 9 from time to time.

Chairperson of the Executive means either:

- (a) the National Chairperson (if there is a National Chairperson); or
- (b) if there is no National Chairperson, the member of the Executive elected to chair meetings of the Executive and General Meetings and otherwise fill the position of Chairperson of the Executive under Rule 7.2.

Code means any code made by the Executive from time to time under Rule 20.2.

Event of Default has the meaning given to it in Rule 25.3.

Executive means the executive of the Association established under Rule 6.3.

General Meeting means a general meeting of the Members of the Association.

IMVIA means the Imported Motor Vehicle Industry Association Incorporated.

Intellectual Property means all intellectual property rights created, developed, used or held by the Association and any company in which the Association holds shares (whether at the date of registration of these Rules or otherwise) including any registered and unregistered trade marks, names and indicia, knowhow, copyright, patents, registered and unregistered designs and any right to the registration of any of such intellectual property.

Member means a person who is listed on the Association's register of members as a member of the Association.

National Chairperson means the person (if any) holding that office under Rule 7.1.

Objects means the objects listed in Rule 3.1.

Postal Ballot means a postal ballot of Members carried out in accordance with Rule 15 and Schedule 3.

Regulations means any regulations made by the Association under Rule 20.

Secretary means the person (if any) holding that office from time to time under Rule 10.

Special General Meeting means any General Meeting other than the Annual General Meeting, held under Rule 13.

Subscriptions means all subscriptions, fees or levies payable by a Member for or in relation to membership of the Association, as set from time to time by General Meeting for the purposes of Rule 4.6.

Working Day means a day excluding than a Saturday, Sunday or a regional or national public holiday and any day during the period from 25 December to 12 January.

1.2 Interpretation: In these Rules, where the context allows or requires:

- (a) Any expression not defined in these Rules but defined in the Act will have the same meaning in these Rules as in the Act.
- (b) The headings to Rules will be ignored in construing these Rules.
- (c) The plural includes the singular and vice versa.
- (d) "person" includes any individual, firm, company, corporation, association of persons (corporate or not) trust or governmental agency (in each case whether or not having separate legal personality).

2 **NAME**

2.1 The full name of the Association is the **IMPORTED MOTOR VEHICLE INDUSTRY ASSOCIATION INCORPORATED.**

3 **OBJECTS AND POWERS**

3.1 **Objects:** The objects of the Association are:

- (a) To represent and promote the interests of persons engaged in the business of buying, importing, selling or leasing motor vehicles in New Zealand or in any business which is ancillary to, or provides services to, any such business.
- (b) To promote the importation, sale and trade in motor vehicles in New Zealand.
- (c) To undertake any activity to promote and further the importation, sale and trade of motor vehicles in New Zealand.
- (d) To promote road safety for all New Zealanders by consultation and negotiation with government in areas of vehicle standards and compliance and all related or ancillary matters.

3.2 **Powers:** The Association will have all powers of a natural person (including, but not limited to the powers listed in Schedule 4), which it may exercise to further the Objects.

4 **MEMBERSHIP**

4.1 **Division into Branches:** The Association may be divided into such branches as the Executive determines from time to time. As at the date of registration of these Rules, there are two groupings of Members into the following Branches:

- (a) The South Island Branch;
- (b) The North Island Branch.

4.2 **Eligibility:** Membership of the Association will be open to any person or entity who or which:

- (a) is engaged in the business of buying, importing, trading, selling or leasing motor vehicles in New Zealand (including motor vehicle dealers and motor vehicle traders) or in any business which is ancillary to, or provides services to, any such business; and
- (c) applies for membership and, as part of the application agrees to be bound by these Rules and any Regulations or Code in force at the time of application.

4.3 **Classes of Membership:** The Executive may in its sole discretion establish different classes of membership to differentiate between Members in relation to liability for Subscriptions. Apart from differing liability for Subscriptions, each class of membership will carry the same rights and obligations, as set out in these Rules.

4.4 **Application:** Every application for membership must be made in writing (on an application form provided by the Association), must be accompanied by payment of the entrance fee (if any) and a full or part year's Subscription (as applicable), and must contain such details as the Executive requires including (without limitation):

- (a) the full name and address of all individuals who have authority to manage all or part of the business of the applicant; and
- (b) the address of all places from which the applicant's business is carried on.

The Executive may grant or decline membership of the Association at its absolute discretion.

4.5 **Membership Rights and Obligations:** Except as otherwise provided in these Rules, membership carries full rights of voting at General Meetings and by postal ballot, election as an officer, election to the Executive, election to the Branch Committee and participation in all benefits provided by the Association. However, no Member or person associated with a Member may derive any income, benefit or advantage (**benefit**) from the Association where they can materially influence the payment of the benefit except where that benefit is derived from:

- (a) Professional services to the Association rendered by the Member in the course of such Member's business, charged at no greater rate than the current market rate for those services; or
- (b) Interest on money lent by the Member at no greater rate than the current market rate.

4.6 **Liability for Subscriptions Etc:** Each Member must pay Subscriptions at the levels fixed by a General Meeting from time to time. For the avoidance of doubt, the General Meeting may fix different Subscriptions for any different classes of Member which have been set by the Executive under Rule 4.3.

4.7 **Members' Authorised Representatives:** Every Member which is a company or other body corporate must always have a person (not being a body corporate) appointed as its authorised representative to attend all meetings of the Association and to exercise its voting and other rights under these Rules. The Authorised Representative must be a shareholder, director, partner or officer of the Member or have some other direct association with the Member which is acceptable to the Executive (in its absolute discretion). The first Authorised Representative of any new Member will be the person listed as such in the Member's application for membership of the Association. A Member may otherwise appoint and remove its Authorised Representative at any time by written notice to the Association, signed by a director, partner or officer of the Member. To be effective for any particular General Meeting, a notice appointing an Authorised Representative must be received by the Association at its registered office no later than 24 hours

before the time appointed for the Meeting or be given to the Chairperson of the Executive (or such other person who has been appointed to chair the Meeting) prior to the commencement of the Meeting.

- 4.8 **Register of Members:** The Association will keep a register of Members as required by the Act. Members must notify the Association of any changes of address or other details, promptly following the change.
- 5 **END OF MEMBERSHIP**
- 5.1 **Termination:** A Member's membership will continue until:
- (a) If the Member is a motor vehicle dealer or motor vehicle trader, the Member ceasing to hold any licence or registration required under any applicable legislation regulating dealing in motor vehicles; or
 - (b) The Member resigning by giving notice in writing to the Executive to that effect; or
 - (c) The Member being expelled from the Association by the Executive under Rule 25.5.
- 5.2 **Obligations on Termination of Membership:** On termination of membership of the Association, a Member must immediately:
- (a) pay to the Association all Subscriptions due to the Association for the period up to the date of termination;
 - (b) return to the Association any documents, papers, pamphlets and advertising material which the Member may have acquired as a right or privilege of membership of the Association and any property belonging to the Association; and
 - (c) cease using any Intellectual Property, destroy any stationary and literature containing any Intellectual Property and change all signage at any premises of the member which contains or refers to any Intellectual Property.
- 5.3 **Effect of Termination of Membership:** Termination of membership of the Association will not alter or affect any rights or obligations of the Association and the Member which have accrued prior up to the date on which the membership ceases.
- 6 **THE EXECUTIVE**
- 6.1 **Management and Powers:** The business and affairs of the Association will be managed by, or under the supervision and direction of, the Executive, except when a General Meeting of the Association is in session (in which case they will be conducted by the General Meeting). For this purpose the Executive may exercise all powers and discretions which the Association is entitled to exercise under these Rules and are not required to be exercised by General Meeting.
- 6.2 **Delegation:** The Executive may delegate any of its powers to any committee, working party, employee or officer on such terms and conditions as it thinks fit.
- 6.3 **Members of the Executive:** The Executive will consist of the following members:
- (a) The National Chairperson (if any).
 - (b) The chairperson and vice chairperson of the North Island Branch.
 - (c) The chairperson and vice chairperson of the South Island Branch.
 - (d) The chairperson of any other Branch formed by resolution of an Annual General Meeting or Special General Meeting.
 - (e) The Secretary, if appointed under Rule 10.
 - (f) The CEO, if the National Chairperson is not appointed as the CEO, (who shall not have any voting rights -see Rule 9).
 - (g) Such other members (or Authorised Representatives of Members) as the Executive members from time to time appoint under Rule 6.5.
- (A Branch may at its option elect an alternative to its vice chairperson as its second member of the Executive).
- 6.4 **Duration of Appointment:** Once appointed, Executive members will continue in office until their successor is appointed, subject to Rules 6.6 (Resignation), 6.7 (Disqualification from Office) and Rule 6.5 (in the case of Executive members appointed under that Rule).
- 6.5 **Appointment of additional Members:** The Executive members appointed under paragraphs (a) – (f) of Rule 6.3 may from time to time by majority vote appoint an additional member or additional members of the Executive and remove any member(s) so appointed. The number of additional members of the Executive appointed under this Rule 6.5 must at all times be one less than the number of members of the Executive holding office under paragraphs (a) – (f) of Rule 6.3.
- 6.6 **Resignation:** Any member of the Executive may resign from office by notice in writing addressed to the Executive.
- 6.7 **Disqualification from Office:** A member of the Executive will be deemed to be disqualified from office if the member:
- (a) dies; or
 - (b) is absent from three consecutive meetings of the Executive without special leave of absence granted by the Chairperson of the Executive; or

- (c) becomes incapable of performing the duties of his or her office or the subject of an order under sections 11 or 12 of the Protection of Personal and Property Rights Act 1998; or
 - (d) becomes bankrupt or makes an arrangement or composition with his or her creditors; or
 - (e) becomes prohibited from being a company director by reason of any order under the Companies Act 1993; or
 - (f) has willfully and without reasonable justification or excuse acted in a manner which is contrary to the Objects; or
 - (g) has been convicted of a criminal offence which is punishable by imprisonment; or
 - (h) becomes the subject of a resolution of a General Meeting that he or she has, without reasonable excuse, acted in a manner which is contrary to the Objects or in manner which has brought the Association into disrepute.
- 6.8 **Casual Vacancies:** A casual vacancy will be deemed to have occurred in respect of a member of the Executive if the member resigns under Rule 6.6 or is disqualified from office under Rule 6.7. Any casual vacancy among the Executive shall be filled by the remaining members of the Executive appointing a replacement for the balance of the term of the member of the Executive whose resignation or disqualification has caused the vacancy (being until the next Annual General Meeting).
- 6.9 **Meetings of Executive:** The provisions of Schedule 1 will govern proceedings at meetings of the Executive.
- 6.10 **Interested Executive members:** If a member of the Executive is interested in any transaction or matter before the Executive (**transaction**), that member:
- (a) must disclose that interest to the Executive and full details of the nature of the interest must be recorded in the relevant minutes of the Executive;
 - (b) may, subject to making such disclosure:
 - (i) attend a meeting of the Executive at which the transaction arises or will be discussed and/or voted on, and be included in the quorum for that meeting;
 - (ii) vote respect of the transaction;
 - (iii) sign a document relating to the transaction on behalf of the Association (but subject to these Rules);
 - (iv) do any other thing in his or her capacity as a member of the Executive in relation to the transaction as though the member were not interested in the transaction.
- For the purposes of this Rule 6.10, a member of the Executive will be regarded as being interested in a matter if:
- (a) the member is a party to, or will or may derive a material financial benefit from, the transaction; or
 - (b) the member has a material shareholding or financial interest in, or is a director or officer of, another party to the transaction; or
 - (c) is otherwise directly or indirectly materially interested in the transaction.
- 6.11 **Remuneration:** Members of the Executive who are not also paid employees of the Association will not be entitled to any remuneration for attendance at meetings of the Executive other than such meeting fees approved by the Members in General Meeting or professional services as provided for in Rule 4.5 (a). Where possible their travel, accommodation and living expenses relating to meetings of the Executive will be met by the Association other than in the case of meetings or trips for which expenses are met by any other organisation.
- 6.12 **Executive Governance Policy:** The Executive may establish pursuant to Rule 20.2 and from time to time amend a governance policy, the purpose of which will be to promote sound corporate governance of the Association by the Executive and to clearly separate the role and responsibility of the Executive from that of the Association's management. It is a fundamental requirement that all members of the Executive comply fully with such Code at all times.

7 NATIONAL CHAIRPERSON AND CHAIRPERSON OF THE EXECUTIVE

7.1 National Chairperson:

- (a) **Appointment:** A National Chairperson of the Association may be appointed by a majority vote of the chairperson and vice-chairperson of the Branches, on such terms and conditions as they may decide (subject to Rule 7.1(b)).
- (b) **Terms:** The National Chairperson shall:
 - (i) Have a term of office from the date of appointment until the conclusion of the next Annual General Meeting.
 - (ii) Be eligible for re-appointment.
 - (iii) Be eligible at the discretion of the Executive to hold the office of CEO; and
 - (iv) undertake such other duties on behalf of the Association as shall from time to time be determined by the Executive.

- (c) **Casual Vacancy:** In the event of the National Chairperson's position becoming vacant for any reason the remaining Executive members may by simple majority appoint a replacement for the balance of the term of the National Chairperson's appointment.

- 7.2 **Chairperson of the Executive:** The National Chairperson (if there is a National Chairperson), or if there is no National Chairperson such member of the Executive who is elected to the position from time to time by the Executive by simple majority vote, will be the Chairperson of the Executive.

8 PATRON AND LIFE MEMBERS

- 8.1 **Patron:** The Executive may appoint a person to hold the office of- patron of the Association in recognition of services and contributions made to the Association for the benefit of Members. JOHN ROBERT NICHOLLS has been appointed the inaugural patron of the Association. The patron will not have any rights or obligations as a Member under these Rules. For the avoidance of doubt, the Executive may appoint a replacement patron from time to time at its discretion.
- 8.2 **Life Members:** The Executive may from time to time appoint persons to hold the office of life Member of the Association on the basis that such persons meet the criteria determined by the Executive for such office from time to time. A person appointed as a life Member will have all the rights and obligations of a Member under these Rules.

9 CHIEF EXECUTIVE OFFICER

- 9.1 **Appointment:** The Executive will from time to time appoint and maintain the appointment of a person to hold the position of chief executive officer of the Association for such term and on such conditions as the Executive determines.
- 9.2 **Powers/Responsibilities:** The CEO's primary responsibility will be to implement the strategies and decisions of the Executive and manage the day-to-day affairs of the Association. The Executive may vest in the CEO such powers, duties and authorities as it from time to time determines (subject to these Rules) and the CEO will exercise the same subject at all times to the control of the Executive and these Rules. In the event there is no Secretary, the CEO is responsible for statutory and regulatory functions.

10 SECRETARY

- 10.1 **Appointment:** The Executive may from time to time appoint and maintain the appointment of a person to hold the position of secretary of the Association for such term and on such conditions as the Executive determines.
- 10.2 **Powers/Responsibilities:** The Secretary will be responsible for:
- (a) assisting the Chairperson of the Executive (if any) to carry out his duties and those of the Executive; and
 - (b) statutory and regulatory functions of the Association and statutory compliance.

11 BRANCH COMMITTEE AND OFFICERS

- 11.1 **Branch AGM:** Each Branch must hold an annual general meeting of its members on a date and at a place designated by the Branch Committee which must be on or before 31 May in each year.
- 11.2 **Elections:** The Branch annual general meeting must pass resolutions as to:
- (a) the method of election of the Branch chairperson and vice-chairperson (or an alternative to the vice-chairperson) who will be ex-officio members of the Executive; and
 - (b) the number of Branch Committee members to be elected to provide for area representation.
- 11.3 **Conformity to Rules:** The conduct of meetings and other business of any Branch will otherwise be governed by these Rules (with all necessary modifications) as if the Branch were the Association, and any dispute between members of a Branch or Branch Committee must be submitted to, and will be determined by, the Executive.
- 11.4 **Appointment:** If a Branch chairperson and/or vice-chairperson (or alternative to the vice-chairperson) is or are not elected by the Branch annual general meeting as required under Rule 11.2, the first meeting of the Branch Committee following the annual general meeting, must appoint from its own number a Branch chairperson, and/or a vice chairperson (or an alternative to the vice-chairperson).

12 THE ANNUAL GENERAL MEETING

- 12.1 **Authority:** The Annual General Meeting is the ultimate authority of the Association.
- 12.2 **Frequency, Purposes:** The Annual General Meeting must be held once in every calendar year following the Branch annual general meetings on a date and at a time and place to determined by the Executive. The business of the Annual General Meeting will be to:
- (a) receive from the Executive an annual report and the financial statements for the preceding financial year of the Association, and a budget for the ensuing financial year.
 - (b) appoint a Chartered Accountant to review the financial statements for the ensuing financial year.
 - (c) consider any matter brought to the meeting by or on behalf of the Executive; and

(c) consider and conduct such other business as may properly be brought forward.

12.3 **Proposals:** Members must submit to the Chairperson of the Executive all proposals or matters they wish to have considered at the Annual General Meeting at least 10 Working Days before the date fixed for the Annual General Meeting.

12.4 **Special Business:** All business other than that set out in Rule 12.2 (including proposals or matters submitted by Members pursuant to clause 11.3) will be deemed to be special business, notice of which must be included in the notice calling the meeting (unless a majority of the Members present at the Annual General Meeting vote, or the Chairperson of the Executive determines, to include such business in the Annual General Meeting).

13 SPECIAL GENERAL MEETING

13.1 **Calling:** A Special General Meeting may be called at any time by the Executive, and must be called by the Association upon the requisition in writing of not less than 25% of the Members stating the purpose for which the Special General Meeting is required.

13.2 **No other Business:** No business other than that specified in a notice of a Special General Meeting will be transacted at that meeting.

14 PROCEEDINGS AT GENERAL MEETINGS

14.1 The provisions of Schedule 2 will govern proceedings at all General Meetings.

15 POSTAL BALLOT

15.1 The provisions of Schedule 3 will govern all Postal Ballots.

16 FINANCIAL YEAR

16.1 The financial year of the Association will be as determined by the Executive from time to time.

17 INCOME AND EXPENDITURE

17.1 **Banking of Money:** All funds received by the Association must be paid to the credit of the Association at a bank or banks as determined by the Executive by formal resolution recorded in writing.

17.2 **Bank Accounts:** The bank accounts of the Association will be operated by such person or persons as the Executive from time to time determines by formal resolution recorded in writing.

17.3 **Payments:** All accounts will be paid by cheque or other negotiable instrument signed by the signatories authorised from time to time by the Executive under Rule 17.2.

17.4 **Financial Statements:** The Executive will cause financial statements for the Association to be prepared for tabling at each Annual General Meeting and may engage a suitably qualified person to undertake preparation.

17.5 **Review:** The financial statements of the Association will be reviewed by a suitably Chartered Accountant appointed at the Annual General Meeting for the forthcoming financial year. In the event that the Annual General Meeting fails or refuses to make such appointment, the Executive will make the appointment.

17.6 **Fiscal Responsibility:** The accumulated resources provided by Subscriptions and donations and all remittances from other sources are available to meet the operating and administrative expenses of the Association. The Executive will present an annual budget for consideration and comment by the Annual General Meeting.

17.7 **Payment of Membership Subscriptions:** The period that a Subscription covers will be determined by the class of membership and Subscription payment required for that class. Unless otherwise determined by the Executive, for Members who are required to pay monthly Subscriptions, the subscription period will be monthly and for Members who are required to pay annually or by lump sum the Subscription period will be annually. New Members paying on an annual basis will be charged pro rata for the balance of the financial year. Unless otherwise determined, all monthly Subscriptions will be payable by automatic payment or direct debit.

17.8 **Taxation Returns:** The Executive will appoint a suitably qualified person to be responsible for filing all returns required by the Inland Revenue Department and the keeping of records required.

18 INTELLECTUAL PROPERTY RIGHTS

18.1 **Property of Association:** All Intellectual Property will remain the exclusive property of the Association or relevant subsidiary, and no Member may challenge or call into question the Association's or relevant subsidiary's ownership or right to claim ownership of the Intellectual Property Rights as a result of being or becoming a Member or otherwise.

18.2 **Approval of Executive:** The Intellectual Property may not be sold or negotiated or in any way used without the written agreement of the Executive. In this respect the Executive may delegate its authority to negotiate the sale or utilisation of these rights but shall retain sole and final responsibility for ultimate decisions affecting these rights and for the utilisation of income or capital gains as a result of the sale or licensing of such rights.

- 18.3 **Use of Name/Logo:** The Executive may licence any Member or Members generally to use any Intellectual Property in connection with their business activities, principally to denote that they are members of the Association, on such terms and conditions as the Executive may determine. The Executive may also withdraw any such licence or otherwise require any Member who is using any Intellectual Property to cease doing so at any time by notice to the Member.

19 **BORROWING POWERS**

- 19.1 The Association will have, in addition to the other powers vested in it, the power to borrow or raise money from time to time by the issue of debentures, bonds, mortgages or such other securities or without security and upon such terms as to priority and otherwise as the Executive determines, and the powers contained in this Rule 19 may be exercised by the Executive subject to any sanction or veto exercised by the Annual General Meeting or any Special General meeting.

20 **REGULATIONS, CODES OR POLICIES**

- 20.1 **Power of General Meeting:** The Association may through any General Meeting enact such regulations as are deemed necessary for the application of these Rules and the general administration of the Association, provided such regulations are not inconsistent with these Rules or the Act.
- 20.2 **Code:** Without limiting Rule 23.1, the Executive may establish and from time to time amend any code or codes of the Association or the Executive provided such code is not inconsistent with these Rules or the Act, the purpose of which will be to promote sound business practice to reinforce confidence in the business of Members and the motor vehicles sold or otherwise dealt with by them, and the Members and members of the Executive (as applicable) must at all times comply with any such Code.
- 20.3 **Management Committee:** The Executive may from time to time form a management committee consisting of the Chairperson of the Executive and such Executive members as the Executive may decide to convene and consider urgent Association business which cannot wait to be considered before a full meeting of the Executive can be held. The provisions of Rule 6 will apply to the operation of any such committee with all necessary modifications. At all times the management committee is subservient to the Executive.

21 **AMENDMENT TO RULES**

- 21.1 **Procedure for Amendments:** These Rules may be altered, added to, rescinded or otherwise amended only by a majority vote of 75% of those Members present and entitled to vote at an Annual General meeting, or Special General Meeting called for the purpose.
- 21.2 **Amendment by Postal Ballot Procedure:** For the avoidance of doubt, no alteration, addition rescission or other amendment of these Rules may be made by Postal Ballot.
- 21.3 **Notice of Amendments:** The notice of meeting for a General Meeting at which it is proposed to alter, add to, rescind or otherwise amend the Rules must set out the text of the proposed alteration, addition, rescission or other amendment and a description of its intended purpose(s).

22 **REPRESENTATIONS**

- 22.1 No direct representations on matters of Association policy or otherwise on behalf of the Association may be made by any Member or member of the Executive to the Government or to a Government Department, Agency, Authority, the media, other association or organisation, or the public, except at the written direction or consent of the Executive.

23 **DISCRETION OF EXECUTIVE**

- 23.1 **Discretion of Executive:** In the event of any matter arising in relation to the Association which is not covered by these Rules, the Executive may preside over and determine the matter at its discretion.
- 23.2 **Availability of Records:** All records including financial information and any other documentation or recorded information of the North Island Branch and the South Island Branch must be available for inspection at any time by the Executive. Any such inspection must be authorised by resolution of the Executive.

24 **CONFLICT OF RULES**

- 24.1 Should the constitution, rules or requirements of any Member conflict with those of the Association the Rules of the Association will take precedence and be binding.

25 **DISCIPLINARY ACTIONS**

- 25.1 **Executive's Rights:** The Executive may take disciplinary action against any Member in accordance with this clause 25. The disciplinary action may, at the discretion of the Executive, be carried out by any member or members of the Executive, the CEO, or such other person as is appointed by the Executive.
- 25.2 **Form of Disciplinary Action:** Disciplinary action may at the discretion of the Executive (without limiting the rights of the Association against a Member at law) take the form of suspension or expulsion from the Association in accordance with Rule 25.4 or Rule 25.5 and/or the charging of interest and/or costs in accordance with Rule 25.7.
- 25.3 **Events of Default:** A Member commits an Event of Default under these Rules if the Member:

- (a) commits a breach of these Rules which the Executive in its absolute discretion considers to be material; or
- (b) fails to pay any sum due to the Association within 10 Working Days after the date on which written notice is given by the Executive or CEO requiring payment; or
- (c) consistently pays subscription instalments late (this will be deemed to have occurred if the Member is given 3 or more notices under paragraph (b) above in any 12 month period regardless of whether or not it remedies the failures in payment); or
- (d) is convicted of an offence under any of the Motor Vehicle Sales Act 2003, Fair Trading Act 1986 or Commerce Act 1986; or
- (e) is convicted of any offence involving fraud or dishonesty; or
- (f) is convicted of any offence under any other legislation, which the Executive, in its absolute discretion, considers to be prejudicial to or in conflict with the Objects and/or the interests of the Association or its members; or
- (g) is prohibited or disqualified from managing or being a director of a company under the Companies Act 1993; or
- (h) is involved in any other matter or conduct which the Executive, in its absolute discretion, considers to be prejudicial to or in conflict with the Objects and/or the interests of the Association or its members; or
- (i) is adjudicated bankrupt or placed in receivership or liquidation or is otherwise insolvent.

An Event of Default will also be deemed to have occurred if any of the events listed in paragraphs (d) – (i) above occurs in relation to any person:

- (i) who is a director, officer, principal or partner of the Member; and/or
- (ii) who holds (directly or indirectly, including through any company or companies) any shares in the Member, or is a trustee or beneficiary of any discretionary trust which holds any shares in the Member.

25.4 **Suspension:** If an Event of Default occurs in respect of a Member, the Executive may, by written notice to the Member, suspend the Member from membership of the Association for such period (not exceeding 6 months) and on such conditions as to cessation of suspension as the Executive determines in its discretion. If a Member is suspended, the Member shall continue to be a member of the Association but all rights and privileges of membership (including the right to vote at any General Meeting) will be withdrawn.

25.5 **Expulsion:** If an Event of Default occurs in respect of a Member and the Executive determines in its sole discretion that the breach is such as to justify expulsion of the Member from membership of the Association, the Executive may so expel the Member by giving the Member written notice to this effect. Expulsion may follow a period of suspension, if a Member has not complied with all conditions of suspension notified by the Executive under Rule 25.4 or the Executive otherwise determines that expulsion is warranted under this Rule 25.5.

25.6 **Member's Rights:** Prior to expelling a Member, the Executive must:

- (a) give the Member the opportunity of being present and represented at the meeting and of giving a verbal and/or written explanation of its conduct giving rise to the potential expulsion;
- (b) give the Member at least two weeks' notice of a disciplinary meeting to be held by or at the direction of the Executive to consider the matter of expulsion of the Member; and
- (c) take into account the Member's explanation in making a decision on the expulsion.

By accepting or maintaining membership of the Association, a Member acknowledges and agrees that compliance by the Executive with the provisions of this Rule 25.6 constitutes compliance by the Association with all natural justice and similar legal requirements in respect of the expulsion of the Member and agrees that it will have no right of recourse against the Association in relation to any expulsion other than for non-compliance with this Rule 25.6.

25.7 **Interest/Costs:** Without limiting any other rights or powers of the Executive under these Rules, the Executive may, in respect of any Member who breaches these Rules:

- (a) charge such Member interest (at a reasonable rate determined by the Executive) on any overdue sum payable under these Rules from the due date until the date of payment; and/or
- (b) recover from such Member any reasonable enforcement costs (including debt collection and professional advisor costs) incurred by the Association in enforcing these Rules against the Member.

26 COMMON SEAL

26.1 The common seal of the Association will remain in the custody of the Chairperson of the Executive and will be affixed to documents only with the authority of a written resolution of the Executive, or a resolution of a General Meeting. Every document to which the common seal is affixed must be signed by not less than two members of the Executive.

27 **WINDING UP**

- 27.1 **Resolution:** The Association may be wound up by resolution of a General Meeting passed by not less than 75% of the Members entitled to vote and voting on the question.
- 27.2 **Distribution of Surplus Assets:** In the event of the Association being wound up, all of its surplus assets (if any) will be realised and after payment of all liabilities and expenses of winding up must with the approval of the majority of those present at a General Meeting of the Association to be held at or before the winding up of the Association be:
- (a) divided equally amongst the Members; or
 - (b) distributed to some institution or society with similar objects or aims as determined by the majority of those present at the General Meeting or as a Judge of competent jurisdiction shall determine.

28 **INDEMNITY**

- 28.1 The Association hereby indemnifies, to the maximum extent permitted by law, the members of the Executive whether past, present or future from and against all losses, costs and damages resulting from actions taken by any such member in good faith and in the course of furthering the Objects and interests of the Association. This indemnity is given in consideration of the members of the Executive making themselves available to conduct the Association's work.

29 **NOTICES**

- 29.1 **Notice to Members:** A notice required or authorised to be served, delivered, given or sent by the Association to any Member will be deemed to have been sufficiently served, delivered or sent if:
- (a) delivered personally to the Member; or
 - (b) sent by ordinary post addressed to the member at the address of the Member appearing in the register of Members; or
 - (c) forwarded by facsimile transmission to the facsimile number of the Member appearing in the register of Members; or
 - (d) sent to the member by any other commonly used electronic or digital form of transmission (including, without limitation, by email) to the address, number or site of the Member appearing in the register of Members or otherwise advised by the member to the Association in writing.
- 29.2 **Notice to Association:** A notice required or authorised to be served, delivered, given or sent to the Association will be deemed to have been sufficiently served, delivered, given or sent if:
- (a) delivered to the registered office of the Association; or
 - (b) sent by ordinary post addressed to the Association at its registered office; or
 - (c) forwarded by facsimile transmission to the facsimile number of the Association; or
 - (d) sent to the Association by such other commonly used electronic or digital form of transmission as the Association may designate (including, without limitation, by email), to the address, number or site of Association, notified in writing by the Association from time to time by written notice to all Members for the purposes of this Rule 29.2.
- 29.3 **Deemed Receipt:** Any notice given pursuant to these Rules will be deemed to have been validly given:
- (a) in the case of delivery, when received;
 - (b) in the case of facsimile transmission, when correctly sent;
 - (c) in the case of posting, on the second day following the date of posting
 - (d) in the case of sending under to Rule 29.1(d) or 29.2(d), when correctly sent.

provided that any notice personally delivered or sent by facsimile either after 5.00 pm on a Working Day or on any day that is not a Working Day will be deemed to have been received on the next Working Day.

- 29.4 **Omission:** The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Member entitled to receive notice will not invalidate the proceedings at the meeting.
- 29.5 **Change of Contact Details:** Members must advise the Association within 20 Working Days, of:
- (a) any change in their ownership or control; and
 - (b) any change to their contact details (including street address, postal address, fax number, phone number and email address).

SCHEDULE 1
Proceedings at Executive Meetings

1. **Frequency:** The Executive shall meet at intervals of not less than 3 calendar months in each calendar year and in particular not less than 5 Working Days prior to the Annual General Meeting.
2. **Chair:** All meetings of the Executive shall be chaired by the Chairperson of the Executive or, in his or her absence, by a Branch Chairperson elected to do so by the Executive by simple majority vote or, in the absence of a Branch Chairperson who is prepared to act, by the Secretary or such other person elected to do so by the Executive by simple majority vote.
3. **Convening of Meetings:** A meeting of the Executive may be convened by the Chairperson of the Executive or by a majority of the members of the Executive by written request to the Chairperson of the Executive.
4. **Decision Making:** The Executive will make its decisions by a simple majority. In the event of an equality of votes the Chairperson of the Executive will have a casting vote.
5. **Quorum:** A quorum of a meeting of the Executive will be a majority its members.
6. **Minutes:** Minutes shall be kept of the proceedings of the meetings of the Executive. All such minutes shall be placed before the next Executive meeting for confirmation.
7. **Written Resolutions:** A resolution in writing signed or otherwise assented to by not less than two thirds of the members of the Executive for the time being shall be as valid and effective as if it had been passed at a meeting of the Executive 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 of the Executive. A facsimile or other electronic reproduction of any such document signed by members of the Executive or email sent by each member of the Executive confirming agreement shall be conclusive evidence of such resolution having been signed or authorised by those members for the purposes of this paragraph 7 of Schedule 1.
8. **Telephone Meetings:** The contemporaneous linking together of a number of members of the Executive, not less than the quorum, shall be deemed to constitute a meeting of the Executive and all the provisions of these Rules as to meetings of the Executive shall apply to such meetings. A minute of the proceedings of such meeting confirmed at the next regular meeting of the Executive shall be sufficient evidence of such proceedings and all necessary formalities if certified as a correct record by the Chairperson of the Executive. For the purposes of this paragraph 8 of Schedule 1 "telephone" shall include television or any other audio and visual device which permits instantaneous communication.
9. **Other Proceedings:** Except as set out in this Schedule 1, the Executive may determine its own proceedings.

SCHEDULE 2
Proceedings at General Meetings

1. **Notice:** The Association must give all Members at least 10 Working Days' written notice of the holding of a General Meeting containing details of the date, time and place of such meeting and a agenda containing a summary of the business to be transacted at the meeting.
2. **Prerequisite to Voting:** Only Members who have paid all Subscriptions payable as at the date on which the notice of meeting was given by the Association will be entitled to vote at a General Meeting.
3. **Number of Votes:** Each Member will have one vote.
4. **Exercise:** A Member may exercise its vote either personally (if the Member is an individual) or by its Authorised Representative (if the Member is a body corporate), or by proxy under the following paragraph.
5. **Appointment of Proxy:** If a Member wishes to exercise its vote by proxy, the proxy must be appointed using a proxy form provided by the Association, which is properly completed and signed by the Member personally (if an individual) or by its Authorised Representative (if a body corporate). No proxy will be effective in relation to a General Meeting unless it is lodged with the registered office of the Association no later than 24 hours before the time appointed for the Meeting or given to the Chairperson of the Executive (or such other person who has been appointed to chair the Meeting) prior to the commencement of the Meeting.
6. **Holding of Proxies:** No Member present at a General Meeting may hold or exercise more than one proxy (in addition to voting personally or as an Authorised Representative) except that if the Chairperson of the Executive is also a Member, he or she may exercise all proxies lodged with him or her.
7. **Authorised Representatives:** A Member which is a body corporate may vote by its Authorised Representative appointed under Rule 4.7. No change to the Authorised Representative of a Member will be effective for any particular General Meeting unless the notice appointing the Authorised Representative is received by the Association at its registered office no later than 24 hours before the time appointed for the Meeting or is given to the Chairperson of the Executive (or such other person who has been appointed to chair the Meeting) prior to the commencement of the Meeting.
8. **Quorum:** The quorum for any General Meeting will be 25 Members present either in person or by proxy or by Authorised Representative. If within half an hour of the time appointed for the commencement of the General Meeting a quorum is not present, the meeting will stand adjourned to the same time and place on the date 10 Working Days after the date of such meeting and if at the adjourned meeting a quorum is not present, then the meeting will lapse.
9. **Voting by Executive:** Executive members have no right to vote at a General Meeting otherwise than in their capacity as a paid up Member (if a Member) or as provided in paragraph 7 of this Schedule 2, except that in the event of an equality of votes the Chairperson of the Executive (whether or not a Member personally) will have a casting vote.
10. **Chairing of Meetings:** Each General Meeting will be presided over by the Chairperson of the Executive or in his absence by his nominated replacement for the time being.
11. **Method of Voting:** Any motion submitted to a General Meeting will be determined in the first instance on the voices, or upon request by any Member to put the motion to a show of hands, and will be deemed to be carried if the majority of Members present in person, by proxy or by Authorised Representative and entitled to vote, vote in favour of the motion. However, if the Chairperson of the Executive considers any question to be of special delicacy, or whenever the majority of Members present at the meeting so demand, voting will be by secret ballot.
12. **Other Proceedings:** Except as set out in this Schedule 2, the Executive may otherwise determine proceedings at General Meetings.

SCHEDULE 3
Postal Ballots

1. **Purpose:** Subject to paragraph 10 of this Schedule 3, any resolution that may be passed at a Special General Meeting may be the subject of a postal ballot of the Members held in accordance with this Schedule 3. Any resolution approved on a Postal Ballot by the majority of votes required under these Rules will be deemed to have been passed as if it had been passed at a Special General Meeting.
2. **Method of Calling:** A Postal Ballot may be called for by the Executive at any time by notice given under paragraph 3 of this Schedule 3 or upon requisition in writing by at least 25% of the Members of the Association stating the purpose for which a Postal Ballot is required in terms of paragraphs 1 and 3 of this Schedule 3.
3. **Notice of Ballot:** The Executive must give written notice of the holding of a Postal Ballot to all Members who are entitled to receive a notice of a Special General Meeting. The notice must:
 - (a) state:
 - (i) the purpose for which the Postal Ballot is called and the text of any resolution proposed;
 - (ii) the address to which voting forms must be sent and the method by which such forms must be sent to such address;
 - (iii) the date and time by which voting forms must be received from Members;
 - (iv) the date on which the result of the Postal Ballot will be declared and a notice of the result will be sent to Members;
 - (v) the name of the person authorised by the Executive under paragraph 7 of this Schedule 3 to receive and count Members' votes;
 - (b) be accompanied by a voting form in the form determined by the Executive; and
 - (c) give the Member not less than 20 Working Days within which to return the completed voting form.
4. **Voting:** Members may vote in a Postal Ballot only by sending the properly completed voting form which accompanied the notice of postal ballot, signed by the Member personally in the case of an individual Member or, in the case of any other Member, by the Authorised Representative of the Member, to the address, in accordance with the method of sending, and by the time, stated in the notice of the Postal Ballot.
5. **Vote to hold Meeting:** On receipt of a notice calling a Postal Ballot, Members may vote (using the voting form) to hold a Special General Meeting in place of the Postal Ballot to consider the matters to which the notice relates, by selecting the appropriate option on the Voting Form. Voting for a Special General Meeting to be held will not prevent a Member from also voting for or against any resolution proposed in the notice. If not less than 25% of the Members vote to hold a Special General Meeting, the Postal Ballot will be deemed to have been abandoned and the Executive must promptly convene a Special General Meeting under Rule 13.1.
6. **Minimum Number of Responses:** The result of a Postal Ballot will be valid and binding only if properly completed and signed Voting Forms are received in accordance with the notice calling the Postal Ballot from not less than 25% of the Members.
7. **Authorised Person:** The Executive must for each Postal Ballot appoint a person to do the following things on the dates specified in the notice calling the Postal Ballot and it will be the duty of the person so appointed to do those things:
 - (a) receive the voting forms; and
 - (b) count:
 - (i) the number of Members voting for or against the relevant resolution(s);
 - (ii) the number of Members who request that a Special General Meeting be called to consider the relevant resolution(s); and
 - (c) certify to the Executive in writing:
 - (i) the result of the Postal Ballot; or
 - (ii) that the Executive must call a Special General Meeting under paragraph 5 of this Schedule 3.
8. **Equality of Votes:** In the event of an equality of votes on any resolution, the resolution will be deemed not to be carried.
9. **Result of Ballot:** The result of a Postal Ballot will be deemed to be effective from the date on which the Executive receives a certificate under paragraph 7(c) of this Schedule 3. On receipt of such a certificate, the Executive must promptly send written notice to all Members of the Association:
 - (a) where paragraph 7(c)(i) applies, advising them of the result of the Postal Ballot; or
 - (b) where paragraph 7(c)(ii) applies, calling a Special General Meeting under paragraph 5.
10. **Exceptions to use of Postal Ballots:** The procedure set out in this Schedule 3 may not be used to commence the winding up of the Association, to alter these Rules, or in the place of the Annual General Meeting.

SCHEDULE 4
Powers of the Association

The Association has the following specific powers under Rule 3.2:

- (a) To enter into any contract or arrangement.
- (b) To use the funds of the Association in payment of the costs and expenses of the Association including the employment of professional advisors, agents, consultants, officers and employees.
- (c) To become a member of, or co-operate with, any other organisation and to obtain from and communicate to such Association such information, as may be likely to promote the Objects.
- (c) To purchase, sell, lease, hire or otherwise acquire or dispose of or mortgage any real or personal property rights or privileges.
- (d) To acquire or sell shares or securities in any entity and to form any company in which the Association will hold any shares.
- (e) To apply for and take out, purchase or otherwise acquire any intellectual property rights of any kind and to grant licences to use the same.
- (f) To borrow or raise money and give security for any borrowings by the issue of debentures, debenture stock, bonds, mortgages or other securities.
- (g) To receive money on deposit, with or without interest.
- (h) To advance and lend money upon any security or without security.
- (i) To invest the funds of the Association not immediately required in any manner determined by the Executive.
- (j) To construct, improve, alter or maintain any building or works.
- (k) To solicit and accept donations and gifts and any transfer of real or personal property whether subject to any trust or not.
- (l) to form or establish any branch of the Association within or outside New Zealand.
- (m) To do all other things that are incidental or conducive to the furtherance of any of the above Objects and carry out any other activity which is consistent with and within the spirit and intent of the Objects.

Name of Member:
Signature of Member:
A member of Independent Motor Vehicle Dealers Association Incorporated

Name of Member:
Signature of Member:
A member of Independent Motor Vehicle Dealers Association Incorporated

Name of Member:
Signature of Member:
A member of Independent Motor Vehicle Dealers Association Incorporated