



Southern Cross  
Health Society

# The Rules of the Southern Cross Medical Care Society

Registered on 15 December 2011

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Please note, from 2 May 2011 the Society's Registered Office is situated  
at Level 1, Ernst & Young Building, 2 Takutai Square, Auckland 1010

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# Southern Cross Medical Care Society

These are the Rules of the Society as amended at the Annual General Meeting held on 6 December 2011.

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Copies of these Rules are available from the Society's Registered Office:  
181 Grafton Road, Private Bag 99934, Newmarket, Auckland or at [www.southerncross.co.nz](http://www.southerncross.co.nz)

## 1. Name

1.1 The name of the Society is “The Southern Cross Medical Care Society”.

## 2. Interpretation

### 2.1 Definitions

In these Rules unless the context otherwise requires the following expressions shall have the following meaning:

“Act”	means The Friendly Societies and Credit Unions Act 1982;
“Actuary”	means an actuary appointed in accordance with Rule 10;
“Annual General Meeting”	means the General Meeting held annually in accordance with Rule 13.1;
“Annual Report”	means the report to be provided by the Board as referred to in Rule 12.1;
“Auditors”	means the auditors of the Society appointed in accordance with Rule 11;
“Benefit”	means a benefit payable to or provided for a Member by the Society in accordance with Rule 14 and “Benefits” has a corresponding meaning;
“Board”	means the Directors who number not less than the required quorum acting together as a board of directors in accordance with Rule 7;
“Chair”	means the person chairing a General Meeting;
“Chairperson”	means the Director who is from time to time appointed to chair the Board pursuant to Rule 7.12(e);
“Claimant”	means a Member or former Member or a person claiming through a Member or former Member entitled to apply for the payment or receipt of a Benefit;
“Directors”	means the directors elected or appointed in accordance with these Rules;
“Eligible Dependents”	means a Member’s spouse, civil union partner or de facto partner (including former spouse, civil union partner or de facto partner) and any child or children (including stepchildren or adopted children) of a Member eligible for Membership pursuant to Rule 5.4(b);
“Financial Statements”	means financial statements in relation to the financial position of the Society as referred to in Rule 12;
“General Meeting”	means a general meeting of the Society held in accordance with Rule 13 being either an Annual General Meeting or a Special General Meeting;
“Group Scheme”	means a scheme for the operation and administration of a group of Group Subscribers as Members of the Society;
“Group Subscriber”	means any member of a business firm or company, or person belonging to one organisation of persons having common interest, carrying on business or operations in New Zealand, who applies for Membership directly or through any duly authorised person acting on his or her behalf and who, on acceptance as a Member of the Society, thereupon pays directly or through a duly authorised agent on his or her behalf the requisite Subscriptions to the Society;

“Member”	means a Group Subscriber or an Ordinary Subscriber who has paid or been excused from paying all Subscriptions due to be paid by the Group Subscriber or that Ordinary Subscriber, as the case may be, and “Membership” has a corresponding meaning;
“Officer”	means any Trustee or Director, the Secretary, or any other executive officer or employee duly authorised and held out by the Board as holding the authority of such an officer of the Society;
“Ordinary Resolution”	means a resolution that is approved by a simple majority of those Members entitled to vote and voting on the question;
“Ordinary Subscriber”	means any person who is admitted to Membership and thereupon pays the requisite Subscriptions due to the Society;
“Purposes”	means the purposes described in Rule 3.1;
“Registered Office”	means the registered office for the time being of the Society;
“Registrar”	means the Registrar of Friendly Societies and Credit Unions under the Act;
“Rules”	means these rules as amended from time to time;
“Secretary”	means the secretary of the Society appointed in accordance with these Rules or any person substantially serving in that office from time to time;
“Society”	means the Society constituted by these Rules and duly registered pursuant to the provisions of the Act;
“Special General Meeting”	means a General Meeting of the Society which is not an Annual General Meeting;
“Sponsor”	means any employer or any other organisation corporate or otherwise, which on behalf of its directors and/or employees or members agrees with the Society to sponsor a Group Scheme;
“Subscription”	means the annual or other subscription prescribed in accordance with Rule 5.5(b)(i) and includes any additional financial contributions, other than donations, paid or payable by a Member in accordance with these Rules;
“Trustee”	means a trustee of the Society elected or appointed in accordance with these Rules.

## 2.2 General provisions of interpretation

The following provisions shall apply in the construction and interpretation of these Rules and any schedules from time to time except to the extent that the context requires otherwise:

- (a) References to Rules and schedules are to Rules and schedules of these Rules;
- (b) any headings are for convenience only and shall not affect the interpretation hereof;
- (c) words importing the singular number include the plural and vice versa and the masculine gender includes the feminine or neuter genders and vice versa and references to a person shall include firms, partnerships, trusts, estates, corporations and unincorporated bodies of persons, a government or semi-government body or agency or instrumentality or a political or administrative subdivision thereof;
- (d) references to “written” and “in writing” include representing or reproducing words, figures or symbols in a visible form by any means and in any medium, including by electronic means or in electronic form;

- (e) where under or pursuant to any deed or agreement to which this provision applies, or in respect of any act, matter or thing to be done thereunder, the day on or by which it is to be done is a Saturday or a Sunday or a public holiday in the place in which the act, matter or thing is to be done, such act, matter or thing may be done on the next succeeding day which is not a Saturday, Sunday or public holiday.
- (f) a reference to any legislation or to any provision of any legislation (including regulations and orders) includes that legislation or provision as from time to time amended, re-enacted or substituted and any statutory instruments, regulations and orders issued under any said legislation or provisions.

### 3. Purposes and powers

#### 3.1 Purposes

The purposes for which the Society is established (being its objects) are, by voluntary Subscriptions of the Members with or without the aid of donations, to provide for any one or more of the following:

- (a) The relief or maintenance of the Members, their spouses, civil union partners or de facto partners (including any former spouse, civil union partner or de facto partner), children (including stepchildren and adopted children), fathers, mothers, brothers or sisters, nephews or nieces, or wards being orphans, during sickness or other infirmity, whether bodily or mental, or at any age after fifty years, or when their spouse, civil union partner or de facto partner has died, or for the relief or maintenance of the orphan children (including stepchildren and adopted children) of Members during minority or at any later time while they are receiving full time education;
- (b) the relief or maintenance of Members, their spouses, civil union partners or de facto partners (including any former spouse, civil union partner or de facto partner), children (including stepchildren and adopted children), fathers, mothers, brothers or sisters, nephews or nieces, or wards being orphans, when in distressed circumstances;
- (c) medical or surgical attendance relief or requisites for and the payment of surgical, medical and hospital fees incurred by Members, their spouses, civil union partners or de facto partners (including any former spouse, civil union partner or de facto partner), children (including stepchildren and adopted children), fathers, mothers, brothers or sisters, nephews or nieces, or wards being orphans;
- (d) insuring money to be paid on the birth of a Member's child or the death of a Member or for the funeral expenses of the Member or his or her spouse, civil union partner or de facto partner, or child (including stepchild or adopted child) of a Member;
- (e) a system of general practice or primary health care clinics, accident and emergency facilities, medical and surgical facilities or clinics and associated accommodation, hospitals or other health care facilities and services including the provision of ancillary services related to sickness, or other infirmity pursuant to the purposes of the Society above;
- (f) the endowment of Members or nominees of Members at any age;
- (g) insuring money to be paid to a Member on the duration of a specified period of the Member's life, either with or without provision for the payment of money in the event of the Member's death before expiry of that period; and
- (h) any other purposes permitted by the Act.

#### 3.2 Powers

Subject to the Act, the Society shall have all the powers, rights, privileges and authorities of a natural person to do anything necessary, incidental or conducive to the carrying out of the Purposes, or to the investment, improvement or preservation of its funds, land, buildings and other assets, either alone or together with any other person.

## 4. Registered Office

- 4.1 The Registered Office of the Society shall be situated at 181 Grafton Road, Auckland, or at such other place in New Zealand as the Board shall from time to time determine.

## 5. Membership

### 5.1 Classes of Membership

Members shall consist of Ordinary Subscribers and Group Subscribers and each Member shall have all the rights, privileges and obligations as are specified in these Rules for Members.

### 5.2 Eligibility

- (a) Any Member may continuously remain a Member provided he or she shall pay the appropriate Subscription in accordance with these Rules and subject to the provisions of these Rules and any schedules governing entitlements to Benefits.
- (b) The Board may in its absolute discretion allow any person of any age to become a Member and any such person may remain a Member subject to subclause (a) of this Rule.

### 5.3 Application

- (a) Application for Membership shall be in the form from time to time specified by the Society and shall contain a form of declaration to be made by the applicant declaring such information as the Society may think fit to require in the said application form to be true and correct in each and every particular.
- (b) The Board, or the Secretary on its behalf, may refuse any application for Membership without stating the reason for such refusal.

### 5.4 Rights of Members

- (a) Membership of the Society entitles the Member for so long as the Member is current and up to date with all Subscriptions due and for so long as the funds of the Society shall last:
- (i) To receive Benefits as set out in these Rules or any schedule from time to time in force and having application to the Member;
  - (ii) to apply to the Board for the inclusion of the Eligible Dependants of the Member, to participate in the Society's Benefits in accordance with the Rules or any schedule thereto.
- (b) The Board may accept a Member's Eligible Dependants for inclusion as persons eligible to receive Benefits from the Society subject to the same terms and limitations as are set out in these Rules for the acceptance of Ordinary Subscribers.
- (c) Except where the context otherwise requires an Eligible Dependant of a Member accepted by the Board under the preceding paragraph (b) shall be deemed to be a Member and to consent to and be bound by these Rules, and in particular (but without limiting the general provision) references in Rules 5.7, 13 and 14 to 'Members' shall be construed accordingly. In all cases where a Member ceases pursuant to these Rules to be entitled to Benefits or to any other rights of Membership, then all Eligible Dependants of that Member shall also cease to be entitled to Benefits or to any other rights of Membership, as the case may be.
- (d) In all cases where a Member's Eligible Dependants are accepted to be eligible to receive and share in the Benefits of the Society, the Member shall be responsible for the payment of the Subscriptions of those dependants so that in every respect such Subscription shall be part of the Member's own Subscription and non-payment of any part thereof shall be deemed to make the Member unfinancial, disentitled to vote and liable to penalties, and eligibility for Benefits shall cease.

## 5.5 Obligations of Members

- (a) **Medical examination:** Any applicant for Membership and the Eligible Dependents of any person for whom Membership application is made shall, if required by the Board or the Secretary on its behalf, undergo a medical examination by a registered medical practitioner approved by the Board prior to acceptance of the application and admission to Membership, and the cost of such examination shall be borne by the applicant concerned.
- (b) **Subscriptions**
  - (i) There shall not be any entrance fee for Membership of the Society. The Subscriptions payable by Members shall be the Subscriptions in force as prescribed in schedules of Subscriptions as adopted or amended by the Board from time to time subject to actuarial approval.
  - (ii) In the event that the applicable prescribed Subscription of any Member is not paid within three calendar months of the date on which such Subscription is due such Member shall cease to be a Member of the Society and shall be removed from the register of Members unless the Board in its discretion extends the time for payment of such Subscriptions on such terms as it thinks fit including the payment of a late payment penalty, such penalty to be determined by the Board from time to time.
  - (iii) No Benefit shall be paid by the Society to or on behalf of any Member whose Subscription is in arrears nor shall such person be entitled to receive any Benefit from the Society either directly or indirectly.

## 5.6 Resignation of Members

A Member may resign from Membership in accordance with the terms for resignation set out in any schedule of Benefits applicable to that Member. Any such resignation shall not release the Member or former Member from payment of any Subscription due up to the effective date of resignation. The Society shall not be liable to make any refund or rebate of the Member's or former Member's current paid annual or other periodic Subscription either in whole or in part on such resignation. Upon resignation of Membership, the Member or former Member and the Eligible Dependents of the Member or former Member shall forfeit all rights of Membership from the effective date of resignation, including the right to vote and to receive any Benefits from the Society.

## 5.7 Discipline of Members

- (a) The Board may at any time upon the written complaint of a Member or Officer of the Society, and after due and appropriate enquiry, admonish or suspend a Member for conduct which, in the opinion of the Board, is injurious to the welfare or character of the Society or may by letter invite that Member within a specified time to retire from the Society and may terminate the Membership of any Member for conduct which, in the opinion of the Board, renders the Membership of that person no longer desirable.
- (b) The Society shall not less than seven days before the date fixed by the Board for consideration of any complaint against a Member or other matter to be considered prior to a decision of the Board on the admonishment, suspension, invitation to retire or termination notify the Member in writing of the complaint or nature of the other matter to be considered and the Member shall be given opportunity to make written submissions upon the consideration of the matter by the Board.
- (c) During any period of suspension imposed by the Board, the Society shall not pay any Benefit to or on behalf of any Member but the Member shall continue to be liable for payment of Subscriptions.
- (d) A Member shall not have their Membership of the Society terminated unless two thirds of the Directors present at the meeting at which the complaint or other matter is considered are in favour of such termination from Membership.
- (e) Upon termination of Membership the former Member shall forfeit all rights of a Member including the right to receive Benefits but shall continue to be liable for any unpaid Subscriptions or other moneys owing to the Society at the date of such termination.

## 5.8 Members bound by Rules

- (a) Every Member shall be deemed to consent to and be bound by the Rules of the Society and no Member shall be entitled, except where herein expressly provided, to appeal to any Court by reason of anything done in accordance with the provisions hereof but nothing contained in the Rules shall purport to restrict the rights of Members to apply under the provisions of Section 89 of the Act to the Registrar for an investigation into the affairs of the Society or the appointment of inspectors to examine the affairs of the Society.
- (b) Every Member shall be entitled upon request to receive a copy of the Rules of the Society.

## 6. Trustees

### 6.1 Number and qualifications of Trustees

- (a) The number of Trustees shall be three. Each Trustee in office at the date these Rules come into force shall continue in office subject to the provisions of these Rules.
- (b) Only Directors may be Trustees, so that a person holding the office of Trustee must also hold office as one of the Directors.
- (c) In addition to the restrictions contained in section 150 of the Act, any person who is disqualified from being appointed or holding office as a director of a company under the Companies Act 1993 or as an Officer under other legislation applicable to the Society shall also be disqualified from being appointed or holding office as a Trustee of the Society.
- (d) A person who is not properly appointed as a Trustee or who is disqualified from being a Trustee but who acts as a Trustee, is a Trustee for the purposes of the provisions of the Act or these Rules or other legislation applicable to the Society that impose a duty or an obligation on a Trustee.

### 6.2 Rotation of Trustees

At each Annual General Meeting the Trustee who has been longest in office since his or her last election shall retire from office but shall be eligible for re-election. As between two or more Trustees who have been in office an equal length of time since their last election, the Trustee to retire shall be the Trustee who has held the office of Trustee for the longest time, and as between two or more Trustees who have held office an equal length of time, the Trustee to retire shall, in default of agreement between them, be determined by lot. A retiring Trustee shall be eligible for re-election, subject to Rules 6.1(b) and (c), and shall act as a Trustee throughout the meeting at which he or she retires.

### 6.3 Nomination of Trustees

- (a) Any candidate for office as a Trustee shall be nominated in writing by two Members qualified to vote at a General Meeting. The candidate must be eligible for election as a Trustee. The nomination paper shall be signed by the proposer and seconder of the candidate who shall signify thereon his or her willingness and eligibility to stand for election.
- (b) All nominations for office as a Trustee shall be addressed to the Secretary and be lodged at the Registered Office of the Society, in the case of an Annual General Meeting not later than the 7th day of October preceding the Annual General Meeting, and in the case of a Special General Meeting on or before such date as is determined by the Board being not later than the 28th day preceding the Special General Meeting.

### 6.4 Removal and appointment of Trustees

- (a) A Trustee may be removed from office by an Ordinary Resolution.
- (b) At least 21 days written notice must be given of a meeting at which the removal of a Trustee is to be considered and the notice must state that the purpose of the meeting is the removal of the Trustee.

- (c) The Society may by Ordinary Resolution appoint another person in place of a Trustee removed from office under the foregoing provisions of this Rule subject always to Rules 6.1(b) and (c) and 6.3. A person so appointed shall retire at the same time as the Trustee replaced would have retired. For the avoidance of doubt a person removed from office under this Rule 6.4 may at the same meeting be removed from office as a Director pursuant to Rule 7.6.

## 6.5 Vacancies

If any Trustee dies or resigns office, a new Trustee shall as soon as practicable thereafter be elected or appointed in place of such Trustee by Ordinary Resolution subject always to Rules 6.1(b) and (c) and 6.3. A person so elected shall retire at the same time as the Trustee who is being replaced would have retired.

## 6.6 Vacation of office of Trustees

The office of Trustee shall be vacated if the Trustee:

- (a) Becomes bankrupt or insolvent or makes any arrangement or composition with creditors generally; or
- (b) suffers a mental disorder in terms of the Mental Health (Compulsory Assessment and Treatment) Act 1992; or
- (c) has a Manager appointed under the provisions of the Protection and Personal Property Rights Act, 1988 in respect of their affairs; or
- (d) resigns from the office of Trustee by notice in writing to the Society; or
- (e) has for more than six months been absent without permission of the Trustees from meetings of the Trustees held during the period; or
- (f) is convicted of any offence which in the opinion of the Board renders that person unfit to continue to hold office as a Trustee of the Society; or
- (g) is removed from office pursuant to Rule 6.4; or
- (h) is disqualified from holding office as a Trustee under Rule 6.1; or
- (i) ceases to be or is not a Director.

## 6.7 Delegation of duties and execution of documents

- (a) Each Trustee may delegate his or her duties as provided by section 31 of the Act subject to the consent of the Board and the other Trustees.
- (b) A majority of Trustees may execute documents on behalf of the Society as permitted by Section 57(4) of the Act.

# 7. Directors

## 7.1 Number and qualifications of Directors

- (a) The number of Directors may be determined from time to time by the Board, provided that the number so determined shall be a minimum of 6 Directors.
- (b) The majority of the Directors must be persons who are not registered medical practitioners.
- (c) Each of the Directors must be ordinarily resident in New Zealand.
- (d) In addition to the restrictions contained in section 150 of the Act, any person who is disqualified from being appointed or holding office as a director of a company under the Companies Act 1993 or as an Officer under other legislation applicable to the Society shall also be disqualified from being appointed or holding office as a Director of the Society.
- (e) A person who is improperly appointed as a Director or who is disqualified from being a Director but who acts as a Director, is a Director for the purposes of the provisions of the Act or these Rules or other legislation applicable to the Society that impose a duty or an obligation on a Director.

## 7.2 Continue in office

The Directors in office on the date these Rules come into force shall continue to hold office subject to the provisions of these Rules.

## 7.3 Power of Directors to fill casual vacancy or appoint additional directors

The Directors shall have power at any time to appoint any other qualified person as a Director, either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall retire at the next Annual General Meeting, but shall be eligible for re-election at that meeting, subject to Rules 7.1(b), (c) and (d).

## 7.4 Vacancy in Board

The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum, then they may act for the purpose of increasing the number of Directors to the number of the quorum or for summoning a General Meeting but for no other purpose.

## 7.5 Rotation of Directors

- (a) At each Annual General Meeting two Directors shall retire. The number to retire shall be in addition to any Director appointed under Rule 7.3.
- (b) The Directors retiring first shall be those who have been longest in office since their last election. As between Directors who have been in office an equal length of time since their last election those to retire shall be the Directors who have held the office of Director for the longest time, and as between two or more Directors who have held office an equal length of time, the Directors to retire shall, in default of agreement between them, be determined by lot. All retiring Directors shall be eligible for re-election subject to Rules 7.1(b), (c) and (d), and shall act as Directors throughout the meeting at which they retire.
- (c) Subject to Rule 7.8 the Members at any meeting at which any Directors retire as provided above may fill the vacated offices by electing a like number of persons to be Directors.

## 7.6 Removal of Directors

- (a) The Society may by Ordinary Resolution of which at least 21 days written notice has been given remove any Director from office before the expiration of his or her period of office notwithstanding anything in these Rules or in any agreement between the Society and that Director.
- (b) The Society may by Ordinary Resolution appoint another person in place of a Director removed from office under the preceding paragraph (a) subject to Rules 7.1(b), (c) and (d) and 7.8. The person so appointed shall retire at the same time as the Director so replaced would have retired.

## 7.7 Vacation of office of Director

The office of Director shall be vacated if the Director:

- (a) Becomes bankrupt or insolvent or makes any arrangement or composition with his or her creditors generally; or
- (b) suffers a mental disorder in terms of the Mental Health (Compulsory Assessment and Treatment) Act 1992; or
- (c) has a Manager appointed under the provisions of the Protection and Personal Property Rights Act 1988, in respect of his or her affairs; or
- (d) resigns office as Director by notice in writing to the Society; or
- (e) has for more than six months been absent without permission of the Directors from meetings of the Directors held during the period; or
- (f) is convicted of any offence which in the opinion of the majority of the other Directors renders that person unfit to continue to hold office as a Director of the Society; or

- (g) is disqualified from holding, or otherwise not permitted to hold, office as a Director under the Rules; or
- (h) is removed from office pursuant to Rule 7.6.

#### 7.8 Nominations and voting

- (a) Any candidate for office as a Director shall be nominated in writing by two Members qualified to vote at a General Meeting. The candidate must be eligible for election as a Director. The nomination paper shall be signed by the proposer and seconder of the candidate who shall state thereon his or her willingness and eligibility to stand for election.
- (b) All nominations for office as a Director shall be addressed to the Secretary and lodged at the Registered Office, in the case of an Annual General Meeting not later than the 7th day of October preceding the Annual General Meeting, and in the case of a Special General Meeting on or before such date as is determined by the Board being not later than the 28th day preceding the Special General Meeting.
- (c) A resolution to elect a Director put to Members must be for the appointment of one Director only, subject to Rule 7.8(d).
- (d) Nothing in these Rules shall prevent the election of Directors and Trustees by poll including where the number of candidates for office exceeds the vacancies available and the poll will result in the election of those candidates, equal to the number of vacancies to be filled, who receive the highest number of votes.

#### 7.9 Powers and duties of Directors

- (a) The administration, management and control of the Society shall be vested in the Board.
- (b) The Board may exercise all such powers and do all such acts and things as the Society is empowered to do, except to the extent that these Rules or the Act expressly require those powers to be exercised by the Members or the Trustees or by any other person.

#### 7.10 Directors' remuneration and expenses

- (a) The remuneration of the Directors shall from time to time be determined by the Society in General Meeting and failing such determination shall remain at the rate of remuneration last determined. The remuneration shall be deemed to accrue from day to day and shall be divided amongst the Directors in such manner as the Board shall from time to time determine and in default of such determination shall be divided equally between them.
- (b) In addition to such remuneration as aforesaid:
  - (i) Every Director may be reimbursed, or the Society may pay on behalf of a Director, such reasonable travelling, hotel, and other expenses as may be incurred in attending meetings of the Board, General Meetings, or other meetings or any other expense which may otherwise be properly incurred with the approval of the Board in or about the business of the Society;
  - (ii) the Board may also approve remuneration to any Director for undertaking any work not in his or her capacity as a Director or work additional to that normally required of a Director of the Society **provided that** nothing herein contained shall authorise a Director or his or her firm to act as Auditors to the Society.

#### 7.11 Transactions involving Directors' interest

- (a) For the purposes of this clause 7.11, the term "interested" bears the meaning assigned to that term in section 139 of the Companies Act 1993 on the basis that the reference to the "company" in that section shall be read as a reference to the Society, and with such other changes as the context and circumstances require.

- (b) A Director who is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with the Society shall declare the nature of the Director's interest at a meeting of Directors, and shall cause it to be entered in any interests register kept by the Board, and shall not vote in respect of any transaction or proposed transaction in which the Director is interested and, if the Director does so, his or her vote shall not be counted, nor, in respect of that transaction or proposed transaction, shall the Director be counted in a quorum present at the meeting, but the above shall not apply to:
- (i) Any arrangement for giving any Director any security or indemnity in respect of obligations undertaken by him or her for the benefit of the Society; or
  - (ii) any arrangement for giving on account of any Director any security to a third party in respect of a debt or obligation of the Society for which the Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
  - (iii) any contract or arrangement with any company, trust or other entity or body in which the Director is interested only as an officer of such company, trust or other entity or body (or a subsidiary or holding company of any of them) or as a holder of shares or other securities; or
  - (iv) any transaction or proposed transaction between the Society and the Director (or any parent, child, spouse, civil union partner, or de facto partner of the Director) where the transaction or proposed transaction is or is to be entered into in the ordinary course of the Society's business and on usual terms and conditions,

and the requirements and prohibitions of this clause 7.11(b) may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular transaction or proposed transaction by the Society in General Meeting.

## 7.12 Proceedings of Directors

- (a) **Meetings** - The Directors may meet together for the transaction of business and otherwise regulate their meetings as they think fit. The Chairperson, may, and the Secretary on a requisition signed by two Directors and stating the reasons for the meeting and specific business to be considered thereat, shall, at any time summon a meeting of Directors by notice in writing.
- (b) **Quorum** - The quorum necessary for the transaction of the business of the Directors may be fixed by the Society in General Meeting and unless so fixed shall be three.
- (c) **Minutes** - The Directors shall cause minutes to be made in books provided for the purpose:
  - (i) Of all appointments of Officers made by the Directors; and
  - (ii) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
  - (iii) of all resolutions and proceedings at all meetings of the Directors, and of committees of Directors, and the Secretary or other appointed officer shall record the name of every Director present at any meeting of Directors or committee of Directors in a book to be kept for that purpose.
- (d) **Voting at Board meeting** - Questions arising at any Board meeting shall be decided by a majority of votes, (subject to Rule 5.7(d)). In case of an equality of votes, the Chairperson of such meeting shall have a second or casting vote.
- (e) **Board may elect Chairperson and deputy Chairperson** - The Board may elect a Chairperson and, if thought fit, a deputy Chairperson of its meetings and may determine the periods for which they are to hold office. The Chairperson shall preside at meetings of the Board and failing the Chairperson, the deputy Chairperson shall so preside (with all the rights, powers and privileges of the Chairperson in so doing) but if no such Chairperson or deputy Chairperson is elected or if at any meeting neither the Chairperson nor the deputy Chairperson is present within five minutes of the time appointed for holding any meeting, the Directors present shall choose one of their number to be Chairperson at such meeting.

- (f) **Delegation to committees** - The Directors may delegate any of their powers to committees of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors but shall otherwise conduct its proceedings in accordance with the provisions herein which apply to the proceedings of the Directors. A committee may elect a chairperson from its members and in the case of an equality of votes such chairperson shall have a second or casting vote.
- (g) **Negotiable instruments and receipts** - All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for money paid to the Society, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner, as the Board from time to time by resolution determines.
- (h) **All acts done by Directors to be valid** - All acts done at any meeting of the Board, or of a committee of Directors, or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or person acting as aforesaid or that they or any of them were disqualified or not entitled or permitted to be or remain a Director, be as valid as if every such person had been duly appointed and was qualified to be a Director.
- (i) **Resolution in writing** - A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Board, shall be as valid and effectual as if it had been passed at a Board meeting duly convened and held. Any such resolution may consist of several documents (including facsimile or other similar means of communication) in like form each signed by one or more Directors and signed copies of the resolution shall be entered in the minute book. Any such document sent by a Director by facsimile, or other similar means of communications shall be deemed to be in writing and signed by such Director.
- (j) **Meetings of Board using an instantaneous communications device** - For the purpose of this Rule 7.12, the contemporaneous linking together by an instantaneous communication device of a number of the Directors not less than the quorum, whether or not any one or more of the Directors is out of New Zealand, shall be deemed to constitute a meeting of the Board or of a committee of Directors and all the provisions of this Rule 7.12 as to meetings of the Board shall apply to such meetings by an instantaneous communication device so long as the following conditions are met:
- (i) Each of the Directors taking part in the meeting by an instantaneous communication device must be able to hear each of the other Directors taking part at the commencement of the meeting;
  - (ii) at the commencement of the meeting each Director must acknowledge his or her presence for the purpose of a meeting of the Board to all the other Directors taking part;
  - (iii) a Director may not leave the meeting by disconnecting his or her instantaneous communication device unless he or she has previously obtained the express consent of the Chairperson and a Director shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting by an instantaneous communication device unless he or she has previously obtained the express consent of the Chairperson to leave the meeting as aforesaid;
  - (iv) a minute of the proceedings at such meeting by instantaneous communication device shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the Chairperson of the meeting; and
  - (v) for the purposes of this Rule 7.12(j), an "instantaneous communication device" shall include a telephone, television or any other audio or visual device which permits instantaneous communication.

## 8. Indemnity and insurance

The Society is authorised to provide indemnification, including effecting and paying the costs of insurance, for current and former Directors and other Officers, and to any other representative which the Board may from time to time designate, to the fullest extent permissible by law.

## 9. Executive officers

The Board shall appoint the chief executive officer of the Society, and may appoint or provide for, by delegation or otherwise, the appointment of the other executive officers of the Society, upon such terms and conditions (including provisions as to removal) and with such duties and powers as the Board or its delegate shall think fit, including the appointment of officers to carry out the functions of Secretary and of treasurer respectively.

## 10. Actuary

The Board may appoint an Actuary from time to time for the purpose of complying with the provisions of Sections 24 and 74 of the Act, and any other legislation applicable to the Society.

## 11. Auditors

### 11.1 Appointment

Auditors shall be appointed by the Society by Ordinary Resolution.

### 11.2 Powers and duties

The Auditors' power and duties shall be as provided in Sections 62 to 69 of the Act.

### 11.3 Qualification

No Auditors for the Society shall be appointed unless such Auditors are a member of the Institute of Chartered Accountants of New Zealand or its statutory successor in public practice and duly qualified or approved to act as Auditors.

### 11.4 Remuneration

The remuneration of the Auditors shall be fixed by the Board or in such other manner as the Society in General Meeting shall determine.

## 12. Annual Report, Financial Statements and banking accounts

### 12.1 Board to provide Annual Report

The Board shall at each Annual General Meeting provide a report on the operations of the Society during the preceding financial year of the Society together with Financial Statements and reports, duly audited, disclosing the financial position of the Society and otherwise as required by the Financial Reporting Act 1993.

### 12.2 Form of Financial Statements

The form of the Financial Statements for the recording of the financial transactions of the Society shall be determined by the Board and shall comply with any applicable legal rules for financial reporting from time to time in force. Separate account will be kept of the expenses of management and of the amount of Subscriptions and other moneys applied to those expenses.

### 12.3 Financial year

The Society's financial year shall end on the last day of June in every year. The Annual Report and Financial Statements as referred to above, and the Auditors' report thereon, shall be available to Members by the 15th day of September in every year.

#### 12.4 Banking accounts

The current banking accounts of the Society shall be kept at a bank or banks approved by the Board and all moneys received on behalf of the Society shall be paid into such accounts. The said accounts shall be operated in accordance with the directions of the Board under the provisions of Rule 7.12(g).

### 13. Meetings of Members

#### 13.1 Annual General Meeting

The Annual General Meetings of the Society shall be held in the month of November in each year, or so soon thereafter as is practicable, at a time and place to be fixed by the Board, for the purpose of:

- (a) Receiving the Annual Report and Financial Statements, and the Auditors' report thereon;
- (b) electing Directors and other Officers including the Trustees;
- (c) appointing Auditors; and
- (d) transacting such other business as shall be specified in the notice convening the Meeting.

#### 13.2 Notice of General Meeting

Notice of a General Meeting may be given by advertisement in a daily newspaper circulating in each of the cities of Auckland, Hamilton, Wellington, Christchurch and Dunedin and/or by notice sent by the Secretary to each Member, in each case such notice to be given not less than fourteen clear days before the date appointed for the Meeting.

#### 13.3 Content of notice

The notice referred to in Rule 13.2 must state:

- (a) The place, the day and the hour of the meeting; and
- (b) the nature of the business to be transacted at the meeting in sufficient detail to enable a Member to form a reasoned judgment in relation to it; and
- (c) the text of any special resolution to be submitted to the meeting; and
- (d) if Members are entitled to cast a postal vote at the meeting, the postal address to which postal votes may be sent, the name or office of the person to whom they may be sent and who is entitled to count the postal votes and that the postal vote must be received by that person at least 48 hours prior to the time of the meeting; and
- (e) if a proxy form is not contained in or enclosed with the notice, advice on how to obtain a proxy form.

#### 13.4 Omission of notice

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

#### 13.5 Adjournments

- (a) The Chair may in his or her sole discretion at any time or upon the direction of the meeting during the course of such meeting adjourn from time to time and from place to place that meeting or any business, motion, question or resolution being considered by the meeting or remaining to be considered by the meeting and may adjourn any such business, motion, question or resolution either to a later time at the same meeting or to an adjourned meeting.
- (b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (c) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting other than by announcement at the meeting being adjourned.

- (d) Notwithstanding any other provisions contained in these Rules, after any motion or proposal to adjourn a meeting has been defeated, the Chair shall have an absolute discretion as to whether or not to adjourn the meeting and as to whether or not to accept and put to the meeting any further motion or proposal to adjourn the meeting.

### 13.6 Minutes

- (a) The Board must ensure that minutes are kept of all proceedings at General Meetings.
- (b) Minutes which have been signed correct by the Chair of the meeting are prima facie evidence of the proceedings.

### 13.7 Special General Meetings

The Secretary shall, with the approval of the Chairperson or in his or her absence the approval of at least two other Directors, or upon receipt of a requisition in writing signed by 500 Members qualified to vote at such meetings, convene a Special General Meeting of the Society for the purpose of transacting such business as shall be specified in the notice convening the Meeting, such notice being given in like manner to that for the convening of an Annual General Meeting as hereinbefore provided except that such notice shall be given not less than twenty- one clear days before the date appointed for the Special General Meeting.

### 13.8 Chair

At any General Meeting of the Society the Chairperson of Directors or, in the absence of such a person, the Deputy Chairperson or, in their absence, some other Director elected from the meeting shall chair the meeting. The Chair shall in all cases have a deliberative vote and, in cases of equality of voting, a casting vote.

### 13.9 Quorum

At any General Meeting of the Society twelve Members personally present and qualified to vote shall form a quorum. If after the lapse of one half hour a quorum shall not be present, the meeting shall thereupon stand adjourned to the same day in the following week at the same time and place when those Members then present and qualified to vote shall form a quorum.

### 13.10 Voting

At any General Meeting of the Society each duly qualified Member, whether an Ordinary Subscriber or a Group Subscriber, and each Eligible Dependent of a Member in respect of whom Subscriptions at the adult rate are paid, shall have one vote provided that all sums owing by or in respect of the relevant Member or Eligible Dependent have been paid. No Member shall be entitled to vote at any General Meeting if his or her Subscription is in arrears. Except for the matter of election of Directors and Trustees of the Society, where there are more candidates than vacancies, which election shall be as provided in Rule 7.8(d), every question shall, in the first instance, be determined on the voices, subject always to Rule 13.13(f) in the case of resolutions on which postal votes have been cast. The person chairing the meeting may request a count based on a show of hands when unable to determine the result on the voices.

### 13.11 Poll

A poll shall be held if demanded by the Chair or by not less than three Members qualified to vote and in such case a suitable number of scrutineers shall be appointed by the meeting with one poll paper being issued to each qualified Member and, to each authorised person for each proxy held. The scrutineers shall conduct the poll and certify the result to the Chair. In the event of a poll being demanded, each Member shall be entitled to one vote and, in addition, every duly authorised person shall have one vote for each qualified Member he may represent by proxy, and the question shall be decided on the valid votes cast.

## 13.12 Proxies

### (a) Form of proxy

- (i) A proxy form shall be sent with each notice of General Meeting except that where a notice is given by advertisement in a daily newspaper pursuant to clause 13.2, that notice shall contain advice as to how a proxy form may be obtained. The proxy form shall, as a minimum (so far as the subject matter and form of the resolutions reasonably permit), provide for two-way voting (for or against) on all resolutions, enabling the Member to instruct the proxy as to the casting of the vote. So far as is reasonably practicable, resolutions shall be framed in a manner which facilitates two-way voting instructions for proxy holders.
  - (ii) The proxy form, as received by Members, shall not have any name or office (such as Chairperson) filled in as proxy holder but the proxy form may include a footnote to the effect that certain Officers or other persons are willing to act as proxy if the Member wishes to appoint them.
  - (iii) An instrument appointing a proxy may otherwise be in any form which the Board shall approve.
- (b) **Proxy may vote** - A proxy is entitled to attend and be heard at a General Meeting for which he or she is appointed as if the proxy were the Member and may vote on all procedural matters including any resolution to amend any of the resolutions and to adjourn the meeting and vote on any resolution as amended.
- (c) **Proxy may demand a poll** - The instrument appointing a proxy shall be deemed to confer authority on that proxy to demand or join in demanding a poll.
- (d) **Instrument appointing proxy to be in writing** - The instrument appointing a proxy shall be in writing, signed by the Member or by the Member's attorney duly authorised in writing. The instrument shall state whether the proxy is appointed for a particular meeting or for a period of time.
- (e) **Time of deposit** - The instrument appointing a proxy and the power of attorney (if any) under which it is signed, or any notarially certified copy thereof, shall be deposited at the Registered Office, or such other place within New Zealand as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the start of the meeting.
- (f) **When vote by proxy valid though authority revoked** - A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation or transfer of the proxy, provided no intimation in writing of the death, insanity, revocation or transfer shall have been received at the Registered Office or by the Chair of the meeting before the vote is given.

## 13.13 Postal votes

- (a) Subject to the Act, the Board may determine whether Members may exercise the right to vote at a meeting by casting a postal vote in accordance with the provisions of this Rule 13.13.
- (b) The notice of a meeting at which Members are entitled to cast a postal vote must state the name of the person authorised by the Board to receive and count postal votes at that meeting.
- (c) If no person has been authorised to receive and count postal votes at a meeting, or if no person is named as being so authorised in the notice of the meeting, every Director is deemed to be so authorised.
- (d) A Member may cast a postal vote on all or any of the matters which are to be voted on at the meeting, and in respect of which a postal vote is permitted, by sending a notice of the manner in which he or she wishes to vote to a person authorised to receive and count postal votes at that meeting. The notice must reach that person not less than 48 hours before the start of the meeting.
- (e) It is the duty of a person authorised to receive and count postal votes at a meeting:
  - (i) To collect together all postal votes received by him or her or by the Society; and

- (ii) in relation to each resolution to be voted on at the meeting, to count:
  - (A) the number of Members voting in favour of the resolution and the number of votes cast by each Member in favour of the resolution; and
  - (B) the number of Members voting against the resolution, and the number of votes cast by each Member against the resolution; and
- (iii) to sign a certificate that he or she has carried out the duties set out in paragraphs (i) and (ii) of this clause and which sets out the results of the counts required by paragraph (ii) of this clause; and
- (iv) to ensure that the certificate required by paragraph (iii) of this clause is presented to the Chair of the meeting.
- (f) If a vote is taken at a meeting on a resolution on which postal votes have been cast, the Chair must count each Member who has submitted a postal vote for or against the resolution.
- (g) The Chair must ensure that a certificate of postal votes held by him or her is annexed to the minutes of the Meeting.

#### 13.14 Resolution conclusive

Any resolution passed at a duly constituted General Meeting of the Society held in substantial conformity with these Rules, other than any resolution which is beyond the powers of the Members in General Meeting, shall be conclusive and binding on all Members.

#### 13.15 Members proposals

- (a) A Member may give written notice to the Secretary of a matter the Member proposes to raise for discussion or resolution at the next General Meeting at which the Member is entitled to vote.
- (b) Any Member desiring to bring any business before the Annual General Meeting shall give notice in writing to the Secretary not later than the 7th day of October preceding the Meeting or such later date as may be fixed by the Board, whereupon the Board will, at the expense of the Society, give notice of the proposal and the text of any proposed resolution to all Members entitled to receive notice of the Meeting.
- (c) The Board must give the proposing Member the right to provide a statement of not more than 1000 words prepared by the proposing Member in support of the proposal, together with the name and address of the proposing Member, to the Secretary not later than the 7th day of October preceding the Meeting or such later date as may be fixed by the Board, and the Board shall make the statement available to Members prior to the Meeting.
- (d) The Board is not required to include in or with the notice given by the Board a proposal or resolution, or to make available to Members a statement prepared by a Member, which the Board considers to be defamatory, frivolous, or vexatious.

## 14. Benefits

### 14.1 Benefit schedules

- (a) The Benefits payable to, or to be provided for, or on behalf of the Members, and the conditions of entitlement to each Benefit, shall be as specified in the schedules of Benefits from time to time in force or any replacement schedules which the Board may resolve to adopt in its or their stead subject to actuarial approval.
- (b) The Society shall make available to each Member a copy of the schedule of Benefits applicable to that Member which is in force from time to time pursuant to Rule 14.1(a).

### 14.2 Provision of Benefits

Payment or other provision of Benefits shall be made by the Society in accordance with the schedules of Benefits in force from time to time pursuant to Rule 14.1.

### 14.3 Ex-gratia payment

In exceptional circumstances the Board may in its absolute discretion make an ex-gratia grant in aid to a Member toward the cost of any accommodation, treatment or other healthcare services for which a Benefit is not otherwise payable notwithstanding that either:

- (a) Any condition applicable to or governing entitlement for, or payment of a Benefit is not fulfilled; or
- (b) payment in excess of the applicable Benefit provided is thereby made.

### 14.4 Review of claims

- (a) The Society shall have the right at all times, subject only to these Rules, to scrutinise and investigate any claim made to the Society for payment or receipt of any Benefit and in the event of any irregularity in the nature of the services performed or the amount of fees charged being discovered or of the Member receiving payment from any other source in part or in whole in respect of the amount claimed from the Society, the Society may refuse payment of the claim in whole or in part as it may in its absolute discretion think fit.
- (b) The Society is authorised to obtain any information with regard to any service for which a Benefit is claimed or paid including information as to diagnosis, history and treatment for statistical, actuarial, or scientific purposes and the Member if called upon so to do will give any authority or consent which may be required to enable such information to be obtained.

### 14.5 Membership time requirement

A Member shall not be entitled to any Benefit until he or she has been a Member of the Society for 3 months but this requirement may be waived by the Society in its discretion in respect of any particular Member or class of Members, or Benefits or class of Benefits.

## 15. Notices and information

### 15.1 Notices to Registrar

The Secretary shall cause to be sent to the Registrar notice of every appointment of a new Trustee or Director and of any change of the Registered Office of the Society within 14 days of such appointment or change and shall comply with any other requirements as to notices to the Registrar as provided by the Act.

### 15.2 Annual returns

The Secretary shall make or cause to be made annual returns to the Registrar as provided by the Act of the income and expenditure, funds and assets and number and particulars of Members of the Society.

### 15.3 Information to Members

The Secretary shall upon demand supply free of charge to, or furnish for the inspection of any Member or person having an interest in the funds of the Society, a copy of the last Financial Statements (including the Auditors' report) and shall always keep exhibited at the Registered Office a copy of the last annual return and Financial Statements (including the Auditors' report) and the last actuarial valuation report.

### 15.4 Actuarial report

If the Act so requires, the Society shall at least once in every five years (or sooner if requested by the Registrar in accordance with the Act) cause its assets and liabilities to be valued by the Actuary and a report prepared on the financial condition of the Society, a copy of which report shall be forwarded to the Registrar.

## 15.5 Notices to Members

- (a) Any notice or document may be delivered to any Member either personally, or by sending it through the post (in the case of any Member having a registered address outside New Zealand, by air-mail post) in a pre-paid envelope or package addressed to such Member at his or her address last made known to the Society (which may be an address within New Zealand or an address outside New Zealand) or, subject to the provisions of the Electronic Transactions Act 2002, in electronic form and by electronic means to the address provided by the Member for the receipt of electronic communications. Any such notice may be given in general terms and need not be addressed specifically to a Member.
- (b) In the case of Group Subscribers any notice or document is deemed to be served on them if served on or delivered to the Group Scheme Sponsor in a similar manner as provided in this Rule 15.5.
- (c) Any notice or other document, if delivered by post, shall be deemed to have been delivered two days following that on which the letter containing the notice or document, properly addressed and prepaid, was lodged with a recognised postal service or agent.
- (d) A notice given to a Member which is sent by electronic means during normal business hours of a working day shall be deemed to have been received on that working day, and any electronic message sent outside normal business hours shall be deemed to have been received on the working day following completion of transmission.
- (e) In proving delivery by post it shall be sufficient to prove that the envelope or package containing the notice was properly addressed, all postal charges were paid and it was posted. A certificate signed by an employee or an Officer of the Society that the notice was so addressed, prepaid and posted shall be conclusive evidence the notice or document had been sent on the date specified in the certificate. In proving delivery by electronic means, it shall be sufficient, unless an error message is received by the Society, to prove that the electronic communication was correctly addressed and sent from the Society's information systems.

## 16. Exclusion of liability

The Society shall not be liable to any Member or former Member or the dependants of any Member or former Member for any act or omission of any hospital or of any other facility set aside for the provision of healthcare services, or of the servants agents or employees of such hospital or other facility or of any medical practitioner, specialist or surgeon or any other person or corporation rendering any of the services in respect of which Benefits are paid or provided under the provisions of these Rules or any schedule of Benefits.

## 17. Funds, property, investment surplus and unclaimed payments

### 17.1 Funds

The funds of the Society shall be used as the Society may consider necessary or proper in payment of the costs and expenses and furthering or carrying out the Purposes or exercising the powers of the Society or any of them including the employment of counsel, solicitors, agents, officers, and servants as shall appear necessary or expedient.

### 17.2 Property

All property belonging to the Society shall vest in the Trustees for the use and benefit of the Society as provided in Section 29 of the Act.

### 17.3 Investment of funds

The Trustees may, subject to the provisions of the Act and with the consent of the Board (or with the consent of a majority of the Members present and being entitled to vote in General Meeting) from time to time, invest the funds of the Society or any part thereof:

- (a) In accordance with the provisions of the Act; and
- (b) in any other investment lawfully permitted for a friendly society.

## 17.4 Surplus

Should the Society be reported to possess a surplus at the last actuarial valuation it may, with the consent of the Actuary and the Registrar if required by the Act, appropriate so much of the surplus as can be safely and equitably used for all or any of the following purposes:

- (a) An increase or extension of Benefits;
- (b) a reduction in Subscriptions;
- (c) medical aid, or relief of distress; and
- (d) such other purposes as may properly be determined in accordance with the Rules and permitted by law.

## 17.5 Unclaimed payments

The right to any payment which has been made by the Society to a Member or former Member by way of cheque or otherwise but which remains unclaimed by that Member or former Member for two years after the payment was made by the Society shall lapse at the expiry of such period and the amount of the payment may then be applied by the Board for the benefit of the Society.

# 18. Disputes

## 18.1 Procedure for claim dispute

Any dispute between a Member or former Member or any person claiming through a Member or former Member relating to any claim or entitlement to any Benefit shall be resolved in accordance with the Society's complaints and disputes process as set out in the schedule of Benefits applicable to that Member or as otherwise advised to Members.

## 18.2 Procedure for dispute other than claim dispute

- (a) **Internal disputes process** - Any dispute arising between a Member or former Member or any person claiming through a Member or former Member and the Society relating to a matter other than a claim or entitlement to any Benefit shall be dealt with in accordance with the Society's internal complaints and disputes process as advised to Members.
- (b) **Mediation** - Failing settlement, either party may (by written notice to the other party) require that the dispute be submitted for mediation by a single mediator appointed by the Chair of the New Zealand Chapter of LEADR. In the event of any such submission to mediation:
  - (i) The mediator shall be deemed to be not acting as an expert or as an arbitrator;
  - (ii) the mediator shall determine the procedure and timetable for the mediation; and
  - (iii) the cost of the mediation shall be shared equally between the parties.
- (c) **Arbitration** - If the dispute is not resolved by mediation between the parties within 21 days following the appointment of the mediator, any party may withdraw from the mediation. It shall then be open to the parties to agree to refer the dispute to arbitration under the Arbitration Act 1996, subject to the parties agreeing in relation to the application of the additional optional rules as set out in Schedule 2 of that Act.

## 18.3 Without prejudice

The provisions of this Rule 18 are without prejudice to the right of the Society or any Member or former Member to apply to a court of competent jurisdiction to determine any matters, subject to the Rules and procedures thereof.

## 19. Inspection of books

Inspection of the books and accounts of the Society may only be done in accordance with Section 41 of the Act. Persons not having an interest in the funds of the Society may not inspect the books and accounts of the Society and no person other than an Officer or Auditor of the Society shall inspect the account of another Member of the Society without the written consent of that Member, and otherwise in accordance with the Privacy Act 1993, and any Regulations or codes made pursuant to that Act.

## 20. Investigation of the Society

It shall be the right of not less than one-fifth of the total number of Members if the Society has a Membership not exceeding 1,000, or of 200 Members if the Society has a Membership exceeding 1,000, by an application in writing to the Registrar signed by them in the forms provided by the Registrar in that behalf:

- (a) To apply for the appointment of one or more inspectors to investigate the affairs of the Society and to report thereon;
- (b) to apply for an investigation into the affairs of the Society with a view to the dissolution thereof; and
- (c) to apply for the calling of a Special General Meeting of the Society.

## 21. Voluntary dissolution of the Society

### 21.1 Members' consent

The Society may be dissolved with the consent of not less than 75 percent of the Members testified by their signatures on an Instrument of Dissolution in the form provided by the Act together with the written consent of every person who has lodged a claim for any relief or Benefit from the funds of the Society unless the claim of that person is first duly satisfied or settled or adequate provision is first made for properly dealing with that claim.

### 21.2 Surplus assets

Upon the dissolution of the Society and after payment of all its liabilities including the claims of all persons arising under Rule 5.4 and after adequate provision has been made for any contingent liabilities the surplus assets of the Society shall be distributed to such trusts, societies, corporations, or persons providing medical, surgical or healthcare services or research or other charitable services and in such shares as the Members shall approve at a General Meeting.

## 22. Alteration of Rules

### 22.1 Special resolution

Except as is authorised herein no addition to, and no alteration, amendment, rescission or revision of these Rules shall be made except by special resolution passed at an Annual General Meeting or at a Special General Meeting called for the purpose, the notice of which Meeting shall contain particulars of the addition, alteration, amendment, rescission or revision to be proposed.

### 22.2 Majority required for special resolution

Such special resolution shall be passed by a majority of not less than 75 percent of the Members as being present or represented, and entitled to do so, vote in person or by proxy at a General Meeting of which not less than 21 days notice specifying the intention to propose the resolution as a special resolution has been duly given.

### 22.3 Registration

Any addition, alteration, amendment, rescission, or revision approved by the Society shall thereupon be lodged for registration in accordance with the provisions of Section 23 of the Act.

## 23. Transitional provisions

### 23.1 Entitlement of Members

Notwithstanding the adoption of these Rules in substitution for and/or in addition to the previous rules of the Society the amounts payable by way of Subscriptions and the entitlement of any Member or other person to any Benefit shall continue under the terms of the rules and schedules of Subscriptions and Benefits existing immediately prior to the adoption of these Rules until any change in the schedules of Subscriptions or Benefits is made.

### 23.2 Schedules continue in force

The schedules of Subscriptions and Benefits existing immediately prior to the adoption of these Rules shall continue in force until replacement or substitute schedules are adopted by the Board with the appropriate actuarial approval.

Visit our website

[www.southerncross.co.nz/society](http://www.southerncross.co.nz/society)

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Southern Cross  
Health Society