



Southern Cross
Health Insurance

The Rules of the Southern Cross Medical Care Society

Registered on 16 January 2023

Southern Cross Medical Care Society

These are the Rules of the Society as amended at the Annual General Meeting held on 7 December 2022.

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Copies of these Rules are available from the Society’s Registered Office:
Level 1, Te Kupenga, 155 Fanshawe Street, Auckland 1010, or at 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;
“Appointed Actuary”	means an actuary appointed in accordance with Rule 10 and any Applicable Law;
“Annual General Meeting”	means the General Meeting held annually in accordance with Rule 13.1;
“Annual Report”	means the report produced annually on the operations and the Financial Statements (including the Appointed Actuary’s report and Auditors’ report) of the Society;
“Applicable Law”	means: (a) any statute, regulation, bylaw, ordinance or subordinate legislation; (b) any binding court order, judgment or decree; or (c) any legal, regulatory or administrative direction, standard, policy, rule, licence, waiver, consent, registration, approval or other requirement of a Government Agency, that is applicable to the Society, its Officers and/or its business and affairs, including but not limited to the Act, the Insurance (Prudential Supervision) Act 2010, the Financial Service Providers (Registration and Dispute Resolution) Act 2008 and the Fit and Proper Standard;
“Auditors”	means the auditors of the Society appointed in accordance with Rule 11;
“Benefit”	means a benefit payable or provided to a Member by the Society under and in accordance with a Policy and “Benefits” has a corresponding meaning;
“Board”	means the Directors 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 7.10(e);
“Directors”	means the directors appointed in accordance with these Rules;
“Financial Statements”	means the annual audited financial statements of the Society;
“Fit and Proper Standard”	means any fit and proper standards applicable to the Society issued by the Reserve Bank of New Zealand under section 36 of the Insurance (Prudential Supervision) Act 2010 and/or the Society’s Fit and Proper Policy approved by the Board from time to time;
“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;

“Government Agency”	means any government or any public, statutory, governmental or judicial body, entity, department or authority established under statute, including but not limited to the Registrar, the Reserve Bank of New Zealand and the Financial Markets Authority;
“Member”	means a person who has been accepted by the Board and who is named as having an interest in or a Benefit under a Policy 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 as 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 in such manner as provided for by these Rules;
“Policy”	means any policy of insurance underwritten or other agreement for the provision of Benefits by the Society for a Member;
“Premiums”	means the premiums, subscriptions or other fees paid or payable in respect of a Policy whether paid directly by the Member or by another person on their behalf;
“Purposes”	means the purposes described in Rule 3.1;
“Qualified Member”	means a fully paid up Member in respect of whom an adult Premium is paid;
“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 and registered 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 Southern Cross Medical Care Society;
“Special General Meeting”	means a General Meeting of the Society which is not an Annual General Meeting;
“Trustee”	means a trustee of the Society 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 from time to time except to the extent that the context requires otherwise:

- (a) References to Rules are to these Rules;
- (b) any headings are for convenience only and shall not affect the interpretation hereof;
- (c) words importing the singular include the plural and vice versa and the masculine gender includes the feminine or neuter genders and vice versa;
- (d) 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;
- (e) 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;

- (f) where in respect of any act, matter or thing to be done (**act**) under these Rules, the day on or by which the act is to be done is a Saturday or a Sunday or a public holiday, such act may be done on the next succeeding day which is not a Saturday, Sunday or public holiday;
- (g) 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;
- (h) the words “includes” or “including” or similar does not limit what else is included unless there is express wording to the contrary.

3. Purposes and powers

3.1 Purposes

The purposes and objects of the Society are:

- (a) to provide for the reimbursement of healthcare, funeral and related costs incurred or to be incurred by Members;
- (b) to provide for money to be paid on the death, illness, sickness or injury of a Member; and
- (c) any other purposes permitted by the Act.

3.2 Powers of the Society

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

The Registered Office of the Society is Level 1, Te Kupenga, 155 Fanshawe Street, Auckland 1010, or such other place in New Zealand as the Board shall from time to time determine.

5. Membership and Benefits

5.1 The Rules

Every Member is entitled upon request to a copy of these Rules and agrees (or is deemed to agree) to be bound by and comply with these Rules.

5.2 Eligibility for Membership

- (a) There shall not be any entrance fee for Membership of the Society. However, subject to the other provisions of these Rules and the terms and conditions of their Policy, any Member may only remain a Member provided their Premium is paid.
- (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.
- (c) Application for Membership shall be in the form from time to time specified by the Board.

5.3 Benefits and Premiums

- (a) The Benefits payable or provided for Members, and the conditions of each Benefit shall be as specified in the Policies from time to time in force or any replacement Policies which the Board may resolve to adopt subject to actuarial approval.
- (b) The Premiums and any pricing principles shall be what has been approved by the Board from time to time subject to actuarial approval.

5.4 Rights of Members

- (a) Except where expressly stated in these Rules or the context otherwise requires, each Member shall enjoy all the rights of Membership conferred by these Rules.
- (b) Subject to Rule 5.2(a) Membership of the Society entitles the Member, for so long as the funds of the Society shall last, to receive the Benefits under and in accordance with their Policy.

5.5 End of Membership

- (a) A Member may resign from Membership in accordance with the terms for Policy cancellation set out in their Policy.
- (b) The Society may cancel or terminate a Membership in accordance with the terms of a Member's Policy.
- (c) In addition to any powers or rights and remedies under a Policy, 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 a Member or terminate their Membership for conduct which, in the opinion of the Board, causes harm or is likely to cause harm to the welfare or character of the Society.
- (d) Before a decision is made to cancel or terminate a Membership pursuant to Rule 5.5(c):
 - (i) The Society shall notify the Member in writing not less than seven days before the Board is scheduled to consider the complaint or other matter;
 - (ii) The Member shall be given an opportunity to make written submissions for consideration by the Board;
 - (iii) A Member shall not have their Membership terminated by the Board unless two thirds of the Directors present at the meeting at which any Member submission is considered vote in favour of such termination.
- (e) Where a Member's:
 - (i) Policy lapses, is cancelled or terminated their Membership will cease from the date the Policy lapses, is cancelled or terminated;
 - (ii) Membership is cancelled or terminated that Member's Policy will be cancelled or terminated from the date of cancellation or termination of the Membership.

6. Trustees

6.1 Number and qualifications of Trustees

- (a) The number of Trustees shall be three. Each Trustee must also hold office as a Director of the Society.
- (b) Any person who is disqualified from being appointed or holding office as a Director of the Society shall also be disqualified from being appointed or holding office as a Trustee of the Society.
- (c) 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 any other Applicable Law that imposes 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 appointment shall retire from office but shall be eligible for re-appointment. As between two or more Trustees who have been in office an equal length of time since their last appointment, the Trustee to retire shall be the Trustee who has held the office of Trustee for the longest time in total, and as between two or more Trustees who have held office in total 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-appointment, subject to Rule 6.1(b), and shall act as a Trustee throughout the meeting at which he or she retires.

6.3 Nomination of Trustees

- (a) Any candidate for Trustee shall be nominated in writing by two Qualified Members and must be eligible for appointment as a Trustee. The nomination paper shall be signed by the proposer and seconder of the candidate who shall signify his or her willingness and eligibility to be appointed.
- (b) All nominations for Trustee shall be addressed to the Secretary and received by the Registered Office, in the case of an Annual General Meeting not later than the 1st day of September 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.

6.4 Removal of Trustees

- (a) Notwithstanding anything in these Rules or in any agreement between the Society and a Trustee, he or she may be removed from office by an Ordinary Resolution at a General Meeting. At least 21 clear days written notice of the meeting must be given, stating that a purpose of the meeting is the removal of the Trustee. 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 7.5.
- (b) A Trustee will automatically cease to be a Trustee if he or she is disqualified from holding office as a Trustee under Rule 6.1 or otherwise ceases to be or is not a Director.
- (c) If any Trustee dies, resigns, is disqualified or is removed from office, a new Trustee shall as soon as practicable thereafter be appointed in place of such Trustee by Ordinary Resolution subject always to Rules 6.1(b) and 6.3. A person so appointed shall retire at the same time as the Trustee who is being replaced would have retired.

6.5 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 not be less than 6.
- (b) The majority of the Directors must be persons who are:
 - (i) not registered medical practitioners;
 - (ii) ordinarily resident in New Zealand.
- (c) To be eligible to be appointed, or hold office as a Director of the Society, a person must meet and continue to meet the requirements of the Fit and Proper Standard, these Rules and any other Applicable Law, and must not otherwise be disqualified.

7.2 Power of Directors to fill casual vacancy or appoint additional directors

Subject to Rules 7.1(b) and (c), 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-appointment at that meeting, subject to Rule 7.6.

7.3 Vacancy in Board

The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the quorum, then they may act only for the purpose of increasing the number of Directors to the number of the quorum or for summoning a General Meeting.

7.4 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 7.2.
- (b) The Directors retiring first shall be those who have been longest in office since their last appointment. As between Directors who have been in office an equal length of time since their last appointment, those to retire shall be the Directors who have held the office of Director for the longest time in total, and as between two or more Directors who have held office in total 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-appointment subject to Rules 7.1(b) and (c), and shall act as Directors throughout the meeting at which they retire.
- (c) Subject to Rule 7.6 the Members at any Annual General Meeting at which any Directors retire as provided above may fill the vacated offices by appointing a like number of persons to be Directors.

7.5 Removal of Directors

- (a) Notwithstanding anything in these Rules or in any agreement between the Society and a Director, he or she may be removed from office by an Ordinary Resolution at a General Meeting. At least 21 clear days written notice of the meeting must be given, stating that a purpose of the meeting is the removal of the 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) and (c) and 7.6. The person so appointed shall retire at the same time as the Director so replaced would have retired.
- (c) A Director will automatically cease to be a Director if he or she:
 - (i) is not eligible or is disqualified from holding office as a Director under Rule 7.1; or
 - (ii) is required to be removed by or at the direction of any Government Agency; or
 - (iii) suffers a mental disorder in terms of the Mental Health (Compulsory Assessment and Treatment) Act 1992; or
 - (iv) has a Manager appointed under the provisions of the Protection of Personal and Property Rights Act 1988, in respect of his or her affairs; or
 - (v) has for more than six months been absent without permission of the Directors from meetings of the Directors held during the period.
- (d) A Director may resign from office by notice in writing to the Society.

7.6 Nominations and voting

- (a) To stand for office as a Director, the candidate must be eligible for appointment in accordance with Rule 7.1(b) and (c).
- (b) Any candidate for office as a Director shall be nominated by two Qualified Members. All nominations shall be in writing, in the form approved by the Board from time to time, addressed to the Secretary and received by the Registered Office, in the case of an Annual General Meeting not later than the 1st day of September 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. The nomination paper shall be signed by the proposer and seconder of the candidate who shall signify his or her willingness and eligibility to stand.
- (c) Where the number of candidates for Director exceeds the vacancies an election may be held by poll in accordance with Rule 13.11. The poll will result in those candidates who receive the highest number of votes being appointed to fill the vacancies.
- (d) Where the number of candidates for Director is equal to the vacancies available, the Board may, in its discretion appoint the new Director(s) at the General Meeting without the need for an Ordinary Resolution.

7.7 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. To the extent permitted by any Applicable Law the Board may delegate its powers to Officers or other employees of the Society where it thinks fit.

7.8 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:
 - (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 and this shall be recorded in the Annual Report. Nothing herein contained shall authorise a Director or his or her firm to act as Auditors to the Society.

7.9 Transactions involving Directors' interest

- (a) For the purposes of this clause 7.9, the term "interested" has the meaning assigned to that term in section 139 of the Companies Act 1993 on the basis that the reference to "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 his or her 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, provided that any policy(ies) that address actual or perceived conflicts of interest are followed to the extent they apply; 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 7.9(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.

7.10 Proceedings of Directors

- (a) **Meetings** – The Directors may meet for the transaction of business and otherwise regulate their meetings as they think fit. The Chairperson may, or the Secretary on a requisition signed by two Directors may, convene a meeting of the Board by giving not less than 2 days' written notice to every Director. The notice must include the date, time and place of the meeting and the matters to be discussed.
- (b) **Quorum** – The quorum necessary for the transaction of business by the Directors may be fixed by the Society in General Meeting and unless so fixed shall be three.
- (c) **Minutes** – The Directors shall ensure minutes are kept of all proceedings at all meetings of the Directors, and any 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 the minutes.
- (d) **Voting at Board meeting** – Each Director has one vote. Matters arising at any Board meeting shall be decided by a majority of votes (other than matters arising in relation to Rule 5.5 or the Fit and Proper Standard). In case of an equality of votes, the Chairperson of such meeting shall have a 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 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) **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.
- (g) **Validity of acts** – All acts done at any meeting of the Board, or of a committee of Directors, or by any person acting as a Director, shall be valid, notwithstanding any defect in the appointment of such Director or person acting as Director or that they or any of them were disqualified or not entitled or permitted to be or remain a Director.
- (h) **Resolution in writing** – A resolution in writing signed or assented to by a majority of the Directors entitled to vote on that resolution is as valid and effective as if it had been passed at a Board meeting duly convened and held. Any such resolution may consist of several documents (including facsimile, email or other similar means of communication) in like form each signed or assented to by one or more Directors. A copy of any such resolution must be entered in or kept in the minute book.
- (i) **Methods of holding meetings** – A meeting of the Board may be held either by:
 - (i) A number of the Directors who constitute a quorum, being assembled together at a place, date and time appointed for the meeting;
 - (ii) means of audio or audio-visual communication by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.

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, subject to and in accordance with the Fit and Proper Standard (as applicable), and 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. Appointed Actuary

The Board will appoint an actuary from time to time, subject to and in accordance with the Fit and Proper Standard, for the purpose of complying with the Act and any other Applicable Law.

11. Auditors

11.1 Appointment and removal

The Society will appoint an auditor from time to time for the purpose of auditing the financial statements of the Society. The Auditors shall be deemed to be reappointed for each successive financial year unless:

- (a) removed and/or replaced by the Society by Ordinary Resolution; or
- (b) required to be removed by, or at the direction of, any Government Agency; or
- (c) they are unwilling or ineligible to be reappointed; or
- (d) they have resigned or retired or otherwise cease to act as Auditors.

11.2 Powers and duties

The Auditors' powers and duties shall be as provided in the Act and any other Applicable Law.

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.

12. Annual Report, Financial Statements and bank accounts

12.1 Annual Report

The Board shall at each Annual General Meeting and on request make available the Annual Report of the Society for the preceding financial year, together with the Financial Statements. The form of the Annual Report and Financial Statements shall be determined by the Board and shall comply with any Applicable Law for financial reporting from time to time in force.

12.2 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' and Appointed Actuary's reports thereon, shall be available to Members by the 30th day of September in every year.

12.3 Bank accounts

The current bank 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 7.10(f).

13. Meetings of Members

13.1 Annual General Meeting

The Annual General Meeting of the Society shall be held in November 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' and Appointed Actuary's reports thereon;
- (b) appointing Directors and Trustees; and
- (c) 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 or on the Society's website and/or by notice sent by the Society to each Qualified Member, in each case such notice to be given not less than 14 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 Qualified 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 Qualified Members are entitled to cast a postal vote at the meeting, the 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 a meeting, adjourn that meeting either to a later time that day or to a later date.
- (b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the original meeting.

- (c) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given in the same manner as the original meeting. Apart from that it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned 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

A Special General Meeting:

- (a) may be called at any time by the Board or by a person who is authorised by the Chairperson or, in his or her absence, at least two other Directors;
- (b) shall be called by the Board upon receipt of a requisition in writing signed by 500 Qualified Members specifying the nature of the business to be transacted at the meeting and the text of any resolution to be submitted to the meeting. Rules 13.16(c) and (d) shall apply as though the business and any resolution(s) specified were a proposal or resolution in relation to an Annual General Meeting.

Subject to paragraphs (a) and (b) above, the notice of the Special General Meeting shall be given in the same way as for an Annual General Meeting as set out in this Rule 13, provided that such notice shall be given not less than 21 clear days before the date appointed for the Special General Meeting.

13.8 Chair

At any General Meeting of the Society the Chairperson or, in his or her absence, the deputy Chairperson or, in their absence, another 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 12 Qualified Members personally present shall form a quorum. If after 30 minutes a quorum is not present, the meeting shall stand adjourned to the same day in the following week at the same time and place when those Qualified Members then present shall form a quorum.

13.10 Voting

At any General Meeting of the Society each Qualified Member shall have one vote. Except for the matter provided for in Rule 7.6, unless a poll is demanded voting shall be by voice. The Chair may request a vote by show of hands if 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 Qualified Members 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 Qualified 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 or on the Society's website 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 each Qualified 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 Qualified Members, shall not have any name or office (such as Chair) completed 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 Qualified 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 Qualified 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 proxy form shall be deemed to confer authority on that proxy to demand or join in demanding a poll.
- (d) **Proxy to be appointed by notice in writing** – The proxy form shall be in writing, signed by the Qualified Member or by the Qualified Member's attorney or in the case of an electronic notice, sent by the Qualified Member or the Qualified Member's attorney, and the notice must state whether the proxy is for a particular meeting or for a period of time.
- (e) **Time of deposit** – The proxy form and the power of attorney (if any) under which it is signed, or any certified copy thereof, must be received at the Registered Office, or such other place within New Zealand as is specified for that purpose in the notice of 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 a proxy shall be valid notwithstanding the previous death or insanity of the Qualified Member, or revocation or transfer of the proxy, provided no notice 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 Qualified 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 Qualified 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 Qualified 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 Qualified Members voting in favour of the resolution; and
 - (B) the number of Qualified Members voting 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 poll is taken at a meeting on a resolution on which postal votes have been cast, the Chair must count each Qualified 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 Electronic voting

Notwithstanding any other provision in the Rules the Board may (subject to and in accordance with any Applicable Law) permit in relation to a particular meeting or generally:

- (a) The appointment of proxies to be made by electronic means;
- (b) postal votes to be cast by electronic means; and
- (c) votes to be cast on resolutions at meetings of Members by electronic means.

The procedures in relation to such electronic appointment or electronic voting shall be those determined by the Board from time to time.

13.15 Resolution conclusive

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

13.16 Members' proposals

- (a) A Qualified Member may give written notice to the Secretary of a matter the Qualified Member proposes to raise for discussion or resolution at the next Annual General Meeting.
- (b) Any Qualified Member wishing to bring any business to the Annual General Meeting shall give notice in writing to the Secretary not later than the 15th 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 Qualified Members.
- (c) The Board must give the proposing Qualified Member the right to provide a statement of not more than 1000 words in support of the proposal, together with the name and address of the proposing Qualified Member, to the Secretary not later than the 15th 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 Qualified 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 Qualified Members a statement prepared by a proposing Qualified Member, which the Board considers to be defamatory, frivolous, or vexatious.

14. Notices and information

14.1 Notices to Registrar

The Secretary shall send to the Registrar notice of every appointment of a new Trustee or Director and of any change to 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.

14.2 Annual returns

The Secretary shall send the annual return to the Registrar as provided by the Act.

14.3 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' and Appointed Actuary's reports) and shall always keep available at the Registered Office a copy of the last annual return and Financial Statements (including the Auditors' and Appointed Actuary's reports).

14.4 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) Any notice or other document, if delivered by post, shall be deemed to have been delivered three 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.
- (c) 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 next working day.
- (d) 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 or on behalf of the Society.

14.5 Notices to Society

Any notice or document may be delivered to the Society by any Member either personally or by sending it through the post or, subject to the provisions of the Electronic Transactions Act 2002, in electronic form and by electronic means to the address provided by the Society for the receipt of electronic communications. Any notice or other document shall be deemed to have been received when it is actually received by the Society.

15. Funds, property and investment surplus

15.1 Funds

In accordance with Rule 3.2, the funds of the Society shall be used as the Board 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.

15.2 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.

15.3 Investment of funds

The Trustees may, subject to and in accordance with any Applicable Law, and with the consent of the Board (or with the consent of a majority of the Qualified Members present at a 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 any other Applicable Law; and
- (b) in any other investment lawfully permitted for a friendly society.

15.4 Surplus

Subject to any Applicable Law, the Board may from time to time:

- (a) Determine the necessary solvency capital for the Society in consultation with the Appointed Actuary; and
- (b) apply all or part of any funds that exceed the necessary solvency capital, and can be safely and equitably used, for all or any of the following purposes:
 - (i) An increase or extension of Benefits;
 - (ii) a reduction in Premiums;
 - (iii) medical aid, or relief of distress; and
 - (iv) such other Purposes or investments as may properly be permitted.

16. Disputes

16.1 Procedure for Policy Disputes involving the Society

Any dispute relating to a Member or former Member's Policy and the Society, including any claim or entitlement to any Benefit (**Policy Dispute**), shall be resolved in accordance with the Society's complaints and disputes process as set out in the Policy.

16.2 Procedure for Membership Disputes

- (a) Internal disputes process – Any dispute between a Member or former Member and the Society relating to a matter other than a Policy Dispute (a **Membership Dispute**) shall first be dealt with in accordance with the Society's Membership complaints and disputes process.
- (b) Mediation – Where a Membership Dispute is not resolved, 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 parties will pay their own costs.

- (c) Withdrawal from mediation – 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.

16.3 Without prejudice

The provisions of this Rule 16 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 matter.

17. Investigation of the Society

It shall be the right of not less than one-fifth of the total number of Qualified Members if the Society has a Membership not exceeding 1,000, or of 200 Qualified 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.

18. Voluntary dissolution of the Society

18.1 Members' consent

The Society may be dissolved with the consent of not less than 75 percent of the Qualified 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.

18.2 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 Qualified Members shall approve at a General Meeting.

19. Alteration of Rules

19.1 Special resolution

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.

19.2 Majority required for special resolution

A special resolution shall be passed by a majority of not less than 75 percent of the Qualified Members that 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.

19.3 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.

20. Transitional provisions

20.1 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 Premium and the entitlement of any Member or other person to any Benefit shall continue under the terms of the Policies existing immediately prior to the adoption of these Rules until any change in the Premiums or Benefits is made.

20.2 Policies continue in force

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

Visit our website

southerncross.co.nz/society

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