

**Rules of the Financial  
Services Council of New  
Zealand Incorporated**

**7 November 2019**

# Rules of the Financial Services Council of New Zealand Incorporated

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## 1. Name

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The name of the Council is the Financial Services Council of New Zealand Incorporated.

## 2. Interpretation

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In these Rules, unless the context requires otherwise:

**Act** means the Incorporated Societies Act 1908 as amended, or any statute passed in substitution therefor.

**Adviser** includes an employee, agent, broker, contractor, intermediary and any other person engaged in selling or otherwise dealing with financial products and services.

**Associate Member** means a Member of the Council complying with the membership criteria specified in Rule 5.3 who is subject to the conditions of Associate Membership which appear in these Rules and in any relevant rules established by the Board either in relation to that Associate Member or generally.

**Board** means the persons who constitute the Board of the Council from time to time in accordance with Rule 12.

**Board Members** has the meaning given to that term in Rule 12.1.

**Chairperson** has the meaning given to that term in Rule 12.1(a).

**Code of Conduct** means each code of conduct promoted by the Board, and approved by Members in accordance with Rule 14.8, from time to time.

**College** has the meaning given to that term in Rule 5.4(a).

**College Board Members** has the meaning given to that term in Rule 12.1(c).

**College Charter** has the meaning given to that term in Rule 5.4(a).

**Committee** means a committee constituted in accordance with Rule 13, but does not include a **Special Committee** or a **Disciplinary Committee**.

**Council** means the Financial Services Council of New Zealand Incorporated.

**Disciplinary Committee** means the Committee established by the Board in accordance with Rule 8.1.

**Disciplinary Procedures** means the procedures set out in Part 3 of the Code of Conduct and/or the Disciplinary Committee's terms of reference.

**Executive Officer** means the officer appointed in accordance with Rule 18.1.

**Financial Year** means each year ended 30 June.

**General Board Members** has the meaning given to that term in Rule 12.1(b).

**General Meeting** means a general meeting of Members of the Council at which a valid quorum of Members is represented.

**Honorary Member** means a person who is awarded Honorary Membership under Rule 5.7 who is subject to the conditions of Honorary Membership which appear in these Rules, and in any relevant rules agreed to by the Board.

**Independent Chairperson** has the meaning given to that term in Rule 12.1(a).

**Industry** means the financial services industry.

**Member** means a member of the Council and, unless the context otherwise requires, the expression will include Honorary Members, Regular Members, Associate Members, Colleges and any other categories of membership that are established by the Board from time to time, and references to "**Membership**" and "**Membership of the Council**" will have a corresponding meaning.

**Office** means the registered office of the Council as may be determined from time to time by the Board.

**person** includes an individual, a company, a corporation, and any combination or association of individuals or corporate or unincorporate bodies (in each case whether or not having a separate legal identity).

**Related Company** has the same meaning as section 2(3) of the Companies Act 1993.

**Relevant Laws** means all the laws, rules, regulations, codes of practice, standards and codes of ethics or similar requirements applicable to the Member in force from time to time.

**Regular Member** means a Member of the Council complying with the Membership criteria specified in Rule 5.2 who is subject to the conditions of Regular Membership which appear in these Rules, and in any relevant rules established by the Board.

**Representative Officer** means, in relation to a Member, the chief executive officer, managing director or a senior executive of that Member appointed by that Member as its representative for the purposes of Rule 14.3 or Rule 14.4. Related Companies will have one Representative Officer between them.

**Rules** means these rules of the Council and as they may from time to time be amended in accordance with Rule 19.

**Special Committee** means a special committee of the Council constituted in accordance with Rule 16.

**Standard** means each standard promoted by the Board, and approved by Members in accordance with Rule 14.8, from time to time.

**Voting Member** means all Members entitled by their terms of membership to vote at a General Meeting.

### **3. Number, Gender and Headings**

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In these Rules, unless the context otherwise requires:

- (a) Words importing the singular number include the plural, and vice versa.
- (b) Words importing any gender include all other genders.
- (c) Headings do not affect the interpretation of these Rules.
- (d) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

### **4. Objects**

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The objects for which the Council is established are to:

- (a) be recognised as an organisation that represents the interests of the New Zealand financial services industry, including to regulators and Government;
- (b) develop and promote evidence-based policies and practices designed to assist New Zealanders to build and protect their wealth;
- (c) promote the Industry for the economic benefit of New Zealand and to enhance the sustainability of the Industry, whilst recognising the primacy of the interests of consumers;
- (d) promote best practice and integrity in the Industry, including through the institution of codes of conduct, standards and the publication of guidance for Industry participants;
- (e) promote the Industry as a medium for investment and protection for consumers; and
- (f) promote, assist and generally advance the interests of Members.

### **5. Membership**

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#### **5.1 Admission to Membership**

The Members of the Council will be those persons who are from time to time admitted to Membership by:

- (a) a resolution of the Board; or
- (b) in the case of an Honorary Member only, by resolution of the Council in General Meeting.

#### **5.2 Regular Membership**

Membership of the Council as a Regular Member will be available to those persons, whether resident in New Zealand or overseas:

- (a) who, in the opinion of the Board, conform with the criteria for admission and

continuance of Regular Membership set by the Board from time to time; and

- (b) whose Membership the Board deems would further the objectives of the Council.

### 5.3 Associate Membership

Membership of the Council as an Associate Member will be available to those persons, whether domiciled in New Zealand or overseas, who, in the opinion of the Board, have an interest in furthering the Council's objects and whose Membership would assist the Council in furthering its objects.

### 5.4 College Membership

- (a) The Board may, at any time, identify one or more persons who, as a collective group, represent a college of common interest in respect of a specific subject area, topic or other aspect of the Industry (a **College**) and establish a charter setting out the terms and conditions upon which that College is formed (the **College Charter**). A College will be a Member of the Council and may be composed of both Members and persons that are not Members (or entirely of one or the other).
- (b) A College Charter must set out the rights of membership of the College and its members, including whether that College is entitled to:
  - (i) appoint a representative to the Board and, if so, the process for determining who that representative will be; and
  - (ii) vote at General Meetings.
- (c) A College Charter may include:
  - (i) the objects of the College;
  - (ii) the identity of the initial members of that College and the criteria for new members to join that College;
  - (iii) the procedure to be followed for that College to produce publications and publicly express opinions or views;
  - (iv) the expected level of interaction between the College and the Board;
  - (v) the ability of the College to access the resources (including employees) of the Council; and
  - (vi) the decision making framework for that College, including the identity of the initial chairperson, directors or committee members (or equivalents) of that College and the procedure for appointing further, or removing, such persons; and the procedure for amending the College Charter.
- (d) A College may be dissolved at any time:
  - (i) by the Council in General Meeting; or
  - (ii) by the Board.

## **5.5 Related Companies**

Where a Member has Related Companies that conduct business in, or are otherwise involved in, the Industry, those Related Companies are also deemed to be included in Membership jointly with that Member, including for the purpose of setting subscriptions or levies or for the shared funding of agreed projects. Such joint Members will have the rights of one Member between them, and will all be subject to these Rules, and the terms and conditions of their Membership, jointly and severally. The Board may, by notice in writing, vary the application of this Rule in respect of any individual Members as it considers appropriate from time to time.

## **5.6 Honorary Membership**

- (a) Honorary Membership of the Council may be conferred on any person who has rendered outstanding service to the Council or the Industry over a number of years by resolution of the Council in General Meeting.
- (b) Honorary Members will not be required to pay annual subscriptions or levies as outlined in Rule 10.
- (c) Honorary Members will be entitled to attend General Meetings of the Council and will have speaking rights but no voting rights.
- (d) Any person who is awarded Honorary Membership will become a Member of the Council at the end of the General Meeting at which such Membership is approved.

## **5.7 Further categories of Membership**

The Board may, from time to time:

- (a) establish such further categories of Membership as it considers appropriate, including categories allowing for group Membership;
- (b) establish the rights and obligations that would be enjoyed by, or imposed upon, the persons accepted as Members under that new category; and
- (c) accept persons as Members under that new category of Membership if, in the opinion of the Board, those persons have an interest in furthering the Council's objects and whose Membership would assist the Council in furthering its objects and who otherwise meet the criteria for admission established by the Board for that new category of Membership.

# **6. Admission to Membership**

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- 6.1 An application for admission to the Membership of the Council must name the applicant and provide an undertaking that if admitted to Membership, the applicant and, where relevant, any Related Company or Related Companies, agree to be bound by the rules of the Council, the terms and conditions of their Membership, any applicable College Charter(s), the applicable Codes of Conduct and Standards and all Relevant Laws, including those relating to subscriptions, levies and for the sharing of agreed project costs.
- 6.2 If made by an incorporated body, the application must be signed by two directors of the applicant.

- 6.3 An application for admission to the Membership of the Council in a Membership category other than a Regular Member must specify whether the applicant wishes to have the right to vote at a meeting of the Members of the Council.
- 6.4 All applications, whether for Membership as a Regular Member, Associate Member, or other category of Membership (excluding Honorary Membership), will be considered by the Board which will make such enquiries as it deems necessary to satisfy itself that the applicant meets the relevant criteria for Membership of the Council, and will decide whether the applicant is or is not eligible for Membership.
- 6.5 Subject to Rule 6.7, a person will become a Member of the Council if its application for Membership is approved by the Board. When approving an application by a person to become a Member of the Council, the Board will:
- (a) classify that person as a Regular Member, Associate Member or other category of Membership;
  - (b) in the case of an application to become a Member in a Membership category other than a Regular Member, confirm whether the person will be entitled to vote at a meeting of the Members of the Council;
  - (c) confirm the basis upon which the person will be charged subscriptions and levies, and any subscriptions and levies due for the then current year; and
  - (d) specify any other terms and conditions that will apply to that person's Membership as the Board considers appropriate.
- 6.6 The Board may refuse to approve an application for Membership for any reason, and is not obliged to give reasons for that refusal.
- 6.7 Any person whose application for Membership of the Council is approved by the Board will become a Member at the end of the Board meeting at which its application is approved, unless another date is established by the Board or in relation to that person's Membership.
- 6.8 Notwithstanding the above provisions of this Rule 6, admission to Membership of the Council as:
- (a) an Honorary Member will be in accordance with Rule 5.7; and
  - (b) a College will be in accordance with Rule 5.5(a).

## **7. Obligations and Responsibilities of Members**

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Unless otherwise lawfully required, each Member must:

- (a) comply with Relevant Laws, these Rules, the terms and conditions of its Membership, any applicable College Charter(s) and any applicable Codes of Conduct and Standards;
- (b) act in a way to maintain and enhance the good image of the Industry;
- (c) give effect to the objects of the Council; and
- (d) use reasonable endeavours to ensure that its employees and agents:

- (i) are aware of Relevant Laws and any applicable Codes of Conduct and Standards; and
- (ii) comply with Relevant Laws and any applicable Codes of Conduct and Standards.

## **8. Member Discipline**

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### **8.1 Disciplinary Committee**

The Board shall establish a Disciplinary Committee which shall have the powers, rights and discretions set out in its terms of reference (as determined by the Board in accordance with Rule 13.2(b)), the Code of Conduct, and this Rule 8. The Board will determine the members of the Disciplinary Committee from time to time in accordance with Rule 13.2(a) and/or the Disciplinary Committee's terms of reference.

### **8.2 Disciplinary Committee Members not liable**

None of the members of the Disciplinary Committee shall be liable in tort, contract or otherwise for any action taken or not taken in the exercise or purported exercise in good faith of the powers or discretions conferred by the Code of Conduct, the Disciplinary Committee's terms of reference, or these Rules.

### **8.3 Member Disciplinary Procedures**

Subject to Rule 8.4, the Board and/or the Disciplinary Committee must consider and deal with any alleged material breach of the Code of Conduct in accordance with the Disciplinary Procedures.

### **8.4 Board and Disciplinary Committee may decide not to proceed**

The Board and/or the Disciplinary Committee may decide not to proceed with the Disciplinary Procedures at any time if:

- (a) the matter does not appear to involve any material breach of the Code of Conduct;
- (b) the matter appears to be without foundation or there is insufficient evidence to support it;
- (c) the person who makes the complaint has an insignificant interest in the matter, or the matter appears trivial or vexatious;
- (d) a departure from the Disciplinary Procedures would further the objects of the FSC; or
- (e) the conduct, incident, event or issue has already been investigated and dealt with by the Board or the Disciplinary Committee.

### **8.5 Board and Disciplinary Committee may consider or exclude evidence**

For the purpose of the Disciplinary Procedures, the Board and/or the Disciplinary Committee may:

- (a) consider any evidence, materials or other information brought to their attention at any time; and



- (b) exclude from their consideration any evidence, materials or information that they consider unhelpful, unnecessary or irrelevant.

## **8.6 Member Discipline Remediation**

The Board may impose any one or more sanctions set out in the Code of Conduct after receiving a recommendation from the Disciplinary Committee in respect of a material breach of the Code of Conduct in accordance with the Disciplinary Procedures.

## **9. Termination of Membership**

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### **9.1 If any Member:**

- (a) has become incapable, by reason of bankruptcy, liquidation, takeover, merger or other reason of carrying out the financial requirements of its Membership of the Council; or
- (b) has failed to comply in any material respect with these Rules (other than a failure to comply with Rule 7), the terms and conditions of its Membership, or any rules, regulations, standards, practice notes or similar requirements adopted by the Council or by the Board in accordance with these Rules (other than a failure to comply with a Code of Conduct), and such failure has continued for 30 days following the date of a notification from the Council to such Member specifying the default and requiring the same to be remedied; or
- (c) has been determined to have breached any applicable Code of Conduct giving rise to termination of membership in accordance with the Code of Conduct; or
- (d) is in arrears of any subscription or levy within three months of it falling due, and if at least two reminder notices have been issued to the Member by the Council; or
- (e) is declared by the Board for any reason (including a breach of Rule 7) no longer to be an acceptable Member or no longer to be eligible to retain Membership by no longer meeting the criteria applicable to that Member,

the Board may, by written notice to the Member, invite that Member to resign from the Membership of the Council. Any Member having received such a written notice must promptly deliver a resignation notice pursuant to Rule 9.2.

### **9.2 Membership of the Council will be terminated by a Member if a Member gives notice in writing to the Council of its intention to resign on a specified date and such resignation will be effective:**

- (a) in situations where Rule 9.1 applies, upon receipt of that notice at the Office; or
- (b) in any other situation and unless a different period is agreed by the Board, 12 months after the receipt of that notice at the Office.

### **9.3 The following provisions will apply upon termination of the Membership of a person:**

- (a) any subscriptions or levies paid to the Council prior to the effective date of termination will remain the property of the Council and such subscriptions or levies will not be subject to partial or proportionate refund, unless otherwise

approved by the Board in accordance with Rule 10.9;

- (b) in situations where Rule 9.1 applies, the Member will be obliged, upon and notwithstanding termination of Membership, to pay to the Council a sum equal to twelve months' subscription and any subscriptions or levies claimed for payment or otherwise unpaid prior to the effective date of termination, to the extent that they relate to the period (or part-period) prior to that effective date, will remain the liability of the terminating Member unless the claim is waived by the resolution of the Board.

9.4 In situations where Rule 9.2(b) applies, the Member continues to be liable for any subscriptions or levies payable during the period beginning after notice has been received and up to the effective date of the termination, including any annual subscriptions in relation to the year in which the effective date of termination occurs, unless otherwise approved by the Board in accordance with Rule 10.9.

9.5 A Member's membership of the Council can be suspended if the Member has been determined to have breached any applicable Code of Conduct giving rise to suspension of membership in accordance with the Code of Conduct. Upon the Board giving notice to any such Member of its suspension under this Rule, the Member will cease to be entitled to vote in respect of its membership or exercise any other rights in relation to the Council and any Board Member affiliated with such Member will be required to stand down from that position until the suspension is revoked by notice from the Board to that Member. The Member's obligation to pay subscriptions, levies and for the sharing of agreed project costs under these Rules will not be affected by suspension.

## 10. Membership Subscription and Levies

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10.1 The Board will set the annual subscriptions for each Financial Year. In setting the annual subscriptions, the Board:

- (a) may set subscription amounts for each of the classes of Membership other than Honorary Members;
- (b) may not impose subscriptions on Honorary Members; and
- (c) may set differing subscription amounts as between different categories of Membership and between Members of the same category of Membership.

10.2 The Board must set the subscriptions and levies for the next Financial Year prior to the commencement of that Financial Year, following consideration of the budget presented under Rule 21.3. Following the Board's approval of the annual subscriptions in respect of a Financial Year and, in any event, before the commencement of that Financial Year, the Board will provide Members with written notice of the approved annual subscriptions. The Board may amend the subscriptions for a Financial Year within the first 30 days of that Financial Year if it considers it appropriate to do so following feedback from Members. Invoices for subscriptions will not be distributed during this 30 day period.

10.3 If at any time or times any funds are required for the purposes of the Council in addition to the amount of annual subscriptions payable pursuant to Rule 10.1, the funds may be raised by a levy on Members, provided that no levy will be payable by Honorary Members.

10.4 No levy may be made on Members except by resolution of the Board.

- 10.5 In setting levies, the Board:
- (a) may set levies for each of the classes of Membership other than Honorary Members;
  - (b) may not impose levies on Honorary Members; and
  - (c) may set differing levies as between different categories of Membership and between Members of the same category of Membership.
- 10.6 Unless the relevant Member otherwise agrees, the total levies payable by any Member in any Financial Year may not exceed the annual subscription payable by that Member for the Financial Year.
- 10.7 Annual subscriptions and levies will be collected on a basis decided by the Board and payable within thirty days of the date of the Council's written request.
- 10.8 If any Member has not paid any part of an annual subscription or levy within three months of the date of the Council's written request, that Member will be deemed to be in arrears. Any Member in arrears will not, without the prior approval of a majority of the Board, be entitled to speak, or (if applicable) vote, or take part in any General Meeting or Committee until all outstanding moneys have been paid.
- 10.9 Subscriptions and levies paid to the Council are not refundable or rebatable, unless otherwise approved by the Board.
- 10.10 Each Member agrees with the other Members and with the Council to pay all annual subscriptions and amounts levied upon it in accordance with this Rule 10, and further agrees that any amount due from it in respect of any such subscription or levy will constitute a debt of that Member to the Council recoverable by legal process in any appropriate court in New Zealand.
- 10.11 The funds of the Council will be under the control of the Board and may be used or invested as the Board determines.

## **11. Register of Members**

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- 11.1 The Board will ensure that the Council keeps a register of Members containing the names and addresses of each such Member, the date that each such Member became a Member, its Membership category, and the name of its Representative Officer (if applicable).
- 11.2 The register must be maintained as an up-to-date record for legal purposes and for information to Members and other interested parties.
- 11.3 Members must inform the Council forthwith of any change in the name, address, or Representative Officer (if applicable) of the Member.

## **12. Governance Board**

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### **12.1 Composition of the Board**

The Board will comprise:

- (a) one person to act as the Chairperson of the Board as determined by the Board, such person may be a Board member, an independent person, or may be an officer of the Council appointed pursuant to clause 18 or a Representative Officer of, or otherwise affiliated with, a Member;
- (b) such persons as the Members appoint to the Board from time to time in accordance with Rule 12.2 (**General Board Member**); and
- (c) a representative of each College that is entitled to Board representation by its terms of Membership, (the **College Board Members**),

(together the **Board Members**). The minimum number of Board Members is **six**. It is intended that the Board not become so large that it becomes inefficient or unduly expensive to function. If at any time the Board considers that it has become too large, the Board may take such reasonable steps as it considers appropriate to improve the efficient functioning of the Board, including:

- (d) the Board determining that certain Board Members will resign from office so as to reduce the number of Board Members while maintaining an equitable representation of interests on the Board; and
- (e) delegating certain administrative or management functions to a sub-committee of the Board that is able to meet more frequently than the Board is able to.

## 12.2 Appointment and removal of Board Members

- (a) A General Board Member may be appointed to, or removed from, the Board by:
  - (i) a resolution of the Voting Members passed at a General Meeting;
  - (ii) written notice to the Council and the Board signed by Voting Members representing a majority of total votes; or
  - (iii) a resolution of the Board, provided that no more than two General Board Members may be appointed pursuant to this clause 12.2(a)(iii) in any Financial Year and any General Board Members appointed pursuant to this clause 12.2(a)(iii) will retire (and be eligible for re-election) at the next General Meeting.
- (b) A College Board Member may be appointed by a College that is entitled to Board representation by giving the Council written notice of the appointment.
- (c) A majority of the General Board Members and the College Board Members may:
  - (i) from time to time, set the criteria by which a person may be selected for appointment as an Independent Chairperson; and
  - (ii) if they so decide, appoint an Independent Chairperson to the Board by written notice to the Council.
- (d) The appointment of a person as a Board Member under this Rule 12.2 will be conclusive evidence that the person is not prohibited from being appointed as such by virtue of the Rules in these Rules.
- (e) A Board Member may from time to time (by notice in writing to the Council signed by the relevant Board Member) appoint any appropriately authorised person who is not already a Board Member to be the Board Member's

alternate (an **Alternate**). Each Alternate will be entitled to:

- (i) receive notices of all meetings of the Board if the Board Member who appointed the Alternate is known to be either outside of New Zealand or otherwise unavailable to attend meetings;
- (ii) attend and vote at any such meeting at which the Board Member who appointed the Alternate is not personally present; and
- (iii) in the absence of the Board Member who appointed the Alternate, perform all the functions, and exercise all the powers, of that Board Member.

### 12.3 **Removal or Resignation of Board Members**

- (a) A person will cease to be a Board Member if:
  - (i) that person becomes bankrupt or makes any arrangement or composition with his/her creditors generally; or
  - (ii) that person becomes of unsound mind, or is subject to a property order made under section 30 or section 31 of the Protection of Personal and Property Rights Act 1988; or
  - (iii) that person dies, or resigns office by notice in writing to the Council; or
  - (iv) unless a majority of the Board determines otherwise, that person is the Representative Officer of, or is otherwise employed by, a person that has ceased to be a Member (upon such Member ceasing to be a Member) or has its membership suspended under Rule 9.5; or
  - (v) that person fails to attend three Board meetings in any Financial Year without providing reasons for each absence that are acceptable to the Board.

In relation to Rules 12.3(a)(iv) and (v), the relevant Board member may not vote in accordance with Rule 17.3, or sign or assent to a resolution in writing in accordance with Rule 17.7, in relation to the applicable Board resolution.

- (a) An Independent Chairperson appointed under Rule 12.2(c) will cease to be a Board Member if:
  - (i) at any time a written notice is given on behalf of a majority of the General Board Members and the College Board Members to the Independent Chairperson and the Council of the removal of the Independent Chairperson; or
  - (ii) the Independent Chairperson ceases to meet the criteria set by the General Board Members and the College Board Members pursuant to Rule 12.2(c)(i).
- (b) A General Board Member will cease to be a Board Member if removed from office:
  - (i) by a resolution of the Voting Members passed at a General Meeting; or
  - (ii) by written notice to the Council and the Board signed by Voting

Members representing a majority of total votes; or

- (iii) in respect of any General Board Member appointed pursuant to clause 12.2(a)(iii) who has not been subsequently appointed by a resolution of the Voting Members passed at a General Meeting, by a resolution of the Board.

- (c) A College Board Member may be removed by the College that appointed that College Board Member by giving the Council written notice of the removal.

## **12.4 Review of Board Members**

Subject to Rule 12.5 the persons holding the position of the General Board Members will be reviewed and voted on by the Members every year at the annual General Meeting.

## **12.5 Term of Appointment**

- (a) Subject to Rule 12.5(b), each General Board Member will be appointed for terms of up to two years, with a maximum of three consecutive terms, unless a majority of the Board determines otherwise.
- (b) Notwithstanding Rule 12.5(a), at least half of the General Board Members will retire at the annual General Meeting each year. Those General Board Members retiring may seek re-election if eligible. The General Board Members to retire shall be those who have been longest in office since they were last appointed. In the case of General Board Members who were last appointed on the same day, those to retire shall be determined by agreement between those General Board Members or, if they cannot agree, by lot.
- (c) The College Board Member will be appointed for terms of two years, with a maximum of three consecutive terms, unless a majority of the Board determines otherwise or the relevant College Charter provides otherwise.
- (d) An Independent Chairperson will be appointed for terms of three years, with a maximum of two consecutive terms, unless a majority of the Board determines otherwise.

## **12.6 Powers of the Board**

- (a) In addition to any specific power or authority given to the Board under these Rules, the Board has the authority to govern and control the property and affairs, and to exercise the functions and powers of the Council, and has the power to make rules for the admission and conduct of Members except that:
  - (i) it will conform with any resolution of the Council in General Meeting; and
  - (ii) it will not have any function or power that is required by the Act or by these Rules to be exercised by the Council in General Meeting.
- (b) The Board will use its best endeavours to ensure that it does not exercise its authorities, functions or powers in a manner that is contrary to the expressed wishes or views of the Members of the Council.

## **12.7 Chairperson and Deputy Chairperson**

- (a) The Chairperson of the Council will be the person appointed in accordance

with Rule 12.

- (b) The Board may elect one or more deputy Chairperson of the Council from their number.

## **12.8 Remuneration**

- (a) The Independent Chairperson, if one is appointed, will be entitled to such fees for acting as a member of the Board as the Board may approve from time to time.
- (b) The Independent Chairperson will also be entitled to be reimbursed by the Council for reasonable out-of-pocket expenses incurred in performing the duties of a Board member.
- (c) The General Board Members and the College Board Members will not be entitled to any fees for acting as a Board member but will be entitled to be reimbursed by the Council for any out-of-pocket expenses incurred in performing the duties of a Board member.

## **13. Committees**

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- 13.1 The Board may, from time to time, establish a Committee to address specific issues or work plans. Unless otherwise determined by the Board, a Committee will be responsible to, and report to, the Board. The Board may, at any time, dis-establish any Committee for any reason, including prior to the completion of its work plan.
- 13.2 The Board will determine:
  - (a) the composition of each Committee;
  - (b) the terms of reference of each Committee, including the scope of its activities and reporting requirements; and
  - (c) the entitlement of the Committee members to fees or to recover expenses from the Council.
- 13.3 Each Committee will include at least one Board Member who will have responsibility for reporting to the Board on proceedings of the Committee.

## **14. General Meetings**

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- 14.1 An annual General Meeting of the Council must be held within six months after the end of the Financial Year, at a time and place to be determined by the Board.
- 14.2 Each Voting Member must appoint a Representative Officer to represent that Voting Member at General Meetings and must give written notice of that appointment to the Council.
- 14.3 If any Representative Officer of a Voting Member is unable to attend a General Meeting of the Council, that person may, by written notice to the Council, appoint another senior executive of the Member to act as the Member's representative for that General Meeting.

- 14.4 At a General Meeting, the Representative Officer of a Voting Member will have all the powers that the Member has in respect of that meeting and a vote by the Representative Officer will bind the Member.
- 14.5 General Meetings other than the annual General Meeting may be held at such time as the Board may decide or on the written requisition of any five Voting Members. Any such requisition must be delivered in writing to the Office and must state the object of the meeting. The Board will convene such meeting at a date not later than 30 days from the receipt of the requisition. The notice convening a meeting by requisition will state the fact and will state the business to be considered and no other business may be considered at that meeting.
- 14.6 At least five working days' written notice will be given to all Members of all General Meetings (subject to Rule 14.7) and the posting of such notice by mail or the dispatch of a facsimile or other electronic message to a Member's address recorded in the register under Rule 11.1 will be deemed to be conclusive proof that such notice has been received by the Member. The notice must state the nature of the business to be transacted at the General Meeting in sufficient detail to enable a Member to form a reasoned judgement in relation to it. The proceedings of any General Meeting will not be invalidated by a failure to meet the requirements of this Rule.
- 14.7 A General Meeting may be held with less than five working days', but not less than 24 hours', notice having been given of that meeting if such shorter notice period is approved by a resolution of Voting Members where at least 75% of the votes of those Voting Members entitled to vote and voting were cast in favour of the question. The proceedings of any General Meeting will not be invalidated by a failure to meet the requirements of this Rule.
- 14.8 Each Code of Conduct and Standard must be approved:
- (a) by a resolution of the Voting Members approved at a General Meeting by a majority of 75% of the votes of those Voting Members entitled to vote and voting on that approval; or
  - (b) by written consent signed by Voting Members representing a majority of 75% of the votes of those Voting Members entitled to vote on that approval.

## 15. **Proceedings at General Meeting**

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- 15.1 The Chairperson of the Council will preside as chairperson at every General Meeting of the Council. If there is no Chairperson of the Council, or if that person is not present within 15 minutes after the time appointed for the commencement of a General Meeting, or is unwilling to act, the deputy Chairperson of the Council will be chairperson of the meeting. If there is no deputy Chairperson of the Council, or if that person is not present within 15 minutes after the time appointed for the commencement of a General Meeting, or is unwilling to act, the Board Members present will elect one of their number to be Chairperson of the meeting. If there are no Board Members present within 15 minutes after the time appointed for the commencement of the meeting, the Voting Members present may elect one of their number to act as Chairperson of the meeting.
- 15.2 No business may be transacted at any General Meeting unless a quorum of Voting Members is present at the time when the meeting proceeds to business. The quorum for a General Meeting will be six Voting Members. If no quorum is present half an hour after the time appointed for the commencement of a General Meeting, the meeting will be deemed to be adjourned to a date, time and place appointed by the Chairperson of



the meeting.

- 15.3 The Chairperson of a General Meeting may, with the consent of the meeting (and must if so directed by the meeting), adjourn the meeting by announcing the time and place for such adjourned meeting. No business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It will not be necessary to give any further notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 15.4 At any General Meeting, a resolution put to the vote of the meeting will be decided on a show of hands unless a poll is demanded by the Chairperson or any Member entitled to vote on that resolution either before the resolution is put or on or before the declaration of the result of the vote on the resolution by a show of hands. The demand for a poll may be withdrawn at any time.
- 15.5 Unless a poll is so demanded, a declaration by the Chairperson of the result of a vote on a resolution voted on by way of a show of hands will be conclusive evidence of the facts without proof of the number or proportion of the votes recorded.
- 15.6 Except as provided below, if a poll is duly demanded, it will be taken in such manner as the Chairperson directs, and the result of the poll will be deemed to be the resolution of the meeting or the result of the election for which the poll was demanded. A poll demanded on the election of a Chairperson of a meeting or on a question of adjournment must be taken forthwith. A poll demanded on any other question must be taken at such time as the chair of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
- 15.7 Subject to Rule 15.8, no resolution put to the vote of a General Meeting will be carried or deemed to be carried as a resolution unless at least a simple majority of the total votes cast by Voting Members present in person or by proxy and entitled to vote, vote in favour thereof.
- 15.8 Rule 15.7 does not apply in respect of a resolution put to the vote of a General Meeting to amend, add to or rescind these Rules. Such a resolution will not be carried or be deemed to be carried unless at least two thirds of the total votes cast by Voting Members present in person or by proxy and entitled to vote, vote in favour thereof.
- 15.9 At a General Meeting:
- (a) on a show of hands, every Voting Member who is represented in person or by proxy at the meeting will have one vote; and
  - (b) on a poll, every Voting Member who is represented in person or by proxy at the meeting will have one vote for each dollar of annual subscriptions that the Voting Member is liable to pay in the Financial Year in which the General Meeting is held.
- In the case of an equality of votes, the Chairperson of the General Meeting will have a second or casting vote. In case of dispute, doubt or difficulty in respect of or arising out of matters of procedure or voting, the decision of the Chairperson will be final and binding.
- 15.10 No Voting Member will be entitled to vote if that Voting Member is in arrears in respect of subscriptions or levies payable by it, in accordance with Rule 10.8.
- 15.11 A Voting Member may appoint a proxy to attend any General Meeting and vote on behalf of that Member. A proxy may be the representative of another Member,

including an Associate Member, Honorary Member or such other person as the Member appointing the proxy deems suitable.

- 15.12 All proxies must be given in writing and signed by the Representative Officer of the Member, and must be delivered to the Office before the time scheduled for the start of the General Meeting.
- 15.13 Proxies may provide for voting instructions to be given on any resolution being considered by the General Meeting. The proxy holder must vote in accordance with the relevant Member's voting instructions.
- 15.14 Anything that may be done by resolution of the Council in General Meeting may be done, without a meeting or any previous notice being required, by means of a written resolution signed or assented to by:
- (a) Voting Members who, between them, represent more than half of the votes held by all Voting Members in the case of any resolution to which Rule 15.7 would apply; or
  - (b) Voting Members who, between them, represent more than two-thirds of the votes held by all Voting Members in the case of any resolution to which Rule 15.8 would apply.

Any such resolution:

- (a) may consist of several documents in like form each signed or assented to by one or more Voting Members;
- (b) may be signed on behalf of a Voting Member by the Representative Officer of that Member; and
- (c) may be assented to by a letter, electronic mail or facsimile signed or sent by the Representative Officer of the Voting Member.

## 16. **Special Committees**

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- 16.1 Either the Council in General Meeting or the Board may at any time or times establish, on such terms and conditions as it may determine from time to time, a Special Committee in respect of any matter. A Special Committee may comprise one or more persons.
- 16.2 A Special Committee will have such powers as are given to it from time to time either by the Council in General Meeting or by the Board and, unless otherwise determined by the Council in General Meeting, will be responsible to, and report to, the Board.
- 16.3 A Special Committee may be dissolved at any time:
- (a) where the committee was established by the Council in General Meeting, by the Council in General Meeting; and
  - (b) otherwise, by the Board.

## **17. Proceedings of the Board and Committees**

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- 17.1 Except for matters specifically provided for by these Rules or, in the case of a Policy Committee or Special Committee, by the Council in General Meeting or the Board that established it, the members of the Board, Committee or Special Committee may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. The Executive Officer, or other relevant employee of the Council, may attend Board Meetings ex officio but will not be included for the purposes of the quorum, and will have no vote.
- 17.2 The Board, Committee or Special Committee may meet in person or by telephone or any other means of telecommunications, or may pass any resolution in the manner prescribed in Rule 17.7.
- 17.3 Questions arising at any meeting of the Board will be decided by a majority of votes. In the case of equal votes being cast for and against a question at a meeting of the Board, the Chairperson will have a casting vote.
- 17.4 The quorum for a meeting of the Board will be not less than 50% of the appointed members of the Board. Subject to any specific rules applying to a Committee or Special Committee, the quorum for a meeting of a Committee or Special Committee comprising two or more persons will be two persons.
- 17.5 A member of the Board may at any time summon a meeting of the Board. However, unless a majority of members of the Board otherwise agree, no meeting of the Board will be held earlier than forty-eight hours after notice of the meeting is given to all members of the Board. Where any member of the Board is for the time being absent from New Zealand, notice will be deemed to be effected by giving that member notice of the meeting to his or her last address notified to the Council.
- 17.6 A member of the Board who is in any way, whether directly or indirectly, interested in a contract, arrangement or proposal with the Council or other matter before the Board will declare the nature of his or her interest at a meeting of the Board. Subject to Rule 12.3(a)(v), a member of the Board may vote in respect of any contract, arrangement, proposal or matter in which that person is interested and, if that person does so, such vote will be counted and such person will be counted in the quorum present at the meeting.
- 17.7 A resolution in writing, signed or assented to by a majority of the members of the Board for the time being entitled to receive notice of a meeting of the Board, will be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolution may consist of several documents in like form, each signed or assented to by one or more members, and may be assented to by a letter, facsimile or electronic mail signed or sent by the member.

## **18. Officers**

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- 18.1 The Board may, at its discretion, appoint an Executive Officer, either on an honorary or a paid basis. The appointment of the Executive Officer will be terminated upon his or her written resignation taking effect or may be terminated in accordance with a resolution of the Board passed by a majority of Board Members.
- 18.2 The Executive Officer will have such functions as are determined by the Board from time to time.

- 18.3 The Executive Officer is responsible to the Board and any other officers appointed by the Council under Rule 18.4 will be responsible to the Executive Officer (if appointed) or otherwise the Board.
- 18.4 The Board may appoint any other officer or officers, either on an honorary or a paid basis. Any such officer may be removed from office by the Board.

## **19. Amendment to Rules**

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- 19.1 These Rules may be amended, added to or rescinded by resolution passed at a General Meeting in accordance with Rule 15.8.
- 19.2 No addition or alteration to Rule 24 may be approved without prior approval of the Inland Revenue Department.

## **20. Common Seal**

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The common seal of the Council must not be affixed to any document except pursuant to a resolution of the Board and in the presence of any two of the Executive Officer (if appointed) and any Board Member or any two Board Members.

## **21. Finance and accounts**

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- 21.1 The Board must cause proper books of account to be kept and a properly prepared statement of income and expenditure and a balance sheet (if applicable) to be submitted to each annual General Meeting of the Council.
- 21.2 The Council will have such bank accounts as the Board may decide, and these must be operated in such a manner as may be determined by the Board from time to time.
- 21.3 The Board must ensure a budget of estimated expenditure, and a proposal in respect of subscriptions and levies, for the next Financial Year prior to the commencement of that Financial Year is prepared for approval by the Board.

## **22. Auditor**

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The accounts submitted to each Annual General Meeting must bear the audit certificate of the auditor appointed at the previous annual General Meeting of the Council.

## **23. Investment**

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All sums of money belonging to the Council may be invested or deposited in such manner as may from time to time be decided by the Board and will not be restricted, as regards any investment, to the investment for the time being authorised by law for the investment of trust funds.

## 24. Liquidation

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- 24.1 The Council may be liquidated if the Members resolve to appoint a liquidator at a General Meeting at which a majority of the votes cast by Voting Members present in person or by proxy vote in favour of such resolution, and that resolution is confirmed at a subsequent General Meeting called for that purpose and held not earlier than 30 days after the date on which the resolution so to be confirmed was passed.
- 24.2 The Council must, in such resolution, specify some other association of like nature to the Council or such charitable organisation to which all of the surplus assets of the Council shall be transferred, provided that the distribution in terms of this Rule shall specifically exclude any part of the assets of the Council being transferred to any body, organisation or company which is, at the time of the liquidation, a Member.

## 25. Rules

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These Rules will be registered under the Act as the Rules of the Council and will replace any other Rules of the Council registered prior to the date of registration of these Rules.

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Certified on behalf of the following three Members of the **FINANCIAL SERVICES COUNCIL OF NEW ZEALAND INCORPORATED** (*Financial Services Council*) by those Members' duly authorised representatives, to be the replacement Rules of the Financial Services Council as approved at an Annual General Meeting of the Financial Services Council on 7 November 2019.

Signature:



Name: C. E. Kneel

Date: 27.11.2019

On behalf of  
SUNCORP NZ /  
ASTRON LIFE LTD

a Member of  
the Financial Services Council

Signature:



Name: C. A. MULHOLLAND

Date: 27.11.19

On behalf of  
ANZ BANK NZ LTD

a Member of  
the Financial Services Council

Signature:



Name: G. B. Costa

Date: 27.11.19

On behalf of

Signalife  
NZ Ltd

a Member of  
the Financial Services Council

