

**IN THE MATTER OF SECTION 7 OF THE INDUSTRIAL AND PROVIDENT SOCIETIES  
ACT 1908**

**UNION MEDICAL BENEFITS SOCIETY LIMITED (SOCIETY)  
(Number 210021)**

**Notice of Amendment to the Rules of the Society**

TO: The Registrar of Industrial and Provident Societies

The Commissioner of Inland Revenue

We the undersigned members of the Society hereby give notice pursuant to section 7(b) of the Industrial and Provident Societies Act 1908 that the current rules of the Society were revoked and replaced with new rules at the Annual General Meeting of Members held at the Novotel Hotel, Christchurch on 4 November 2021.

The replacement rules are as attached, and for the purposes of identification have been signed by one of those signing below.

Signed this

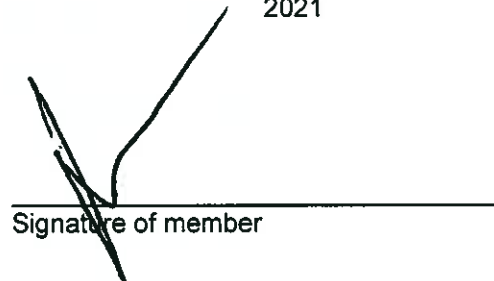
day of

2021

  
Signature of member

Christopher Ian Fiatt

Full name of member

  
Signature of member

Peter John Tynan

Full name of member

  
Signature of member

Barry Grant Donaldson

Full name of member

  
Signature of secretary

Emma Richardson

Full name of secretary

## AMENDMENTS

- 1 Rule 3.2(b) (ii) is amended by inserting the word “or” after the semi-colon.
- 2 A new Rule 3.2(b) (iii) is inserted as follows:

“such other risks that may be underwritten by the Society from time to time.”
- 3 A new Rule 3.14 is inserted as follows:

“To engage in any lawful activity whether by way of acquisition, merger, joint-venture, partnership or collaboration or any other structure (including by an entity established by the Society) and whether alone or jointly with any other part either in New Zealand or overseas where products and services may be provided to or involve members or non-members provided the Board is satisfied that the engagement is in the overall best interests of the Society and its members”.

Rules 3.14 and 3.15 are renumbered to Rules 3.15 and 3.16 respectively.
- 4 Rule 13.2 is amended by replacing the word “two” in the first line with “one” (of the Directors and the Chairperson).
- 5 Rule 30 is amended by deleting the words “has been a member” in the first line with “is a member” and deleting the words “for not less than the preceding 12 months” in the first and second lines.
- 6 Rule 23.4 is amended by adding the sentence “The Board has the discretion to accept late nominations if it considers acceptance to be in the best interests of the Society” in the eighth line.
- 7 Rule numbering of 24.3(g) (i) and (iii) is corrected to Rule 24.3(g) (i) and (ii).
- 8 Rule 26.1 is amended by adding the words “Subject to rule 26.2,” in the first line.
- 9 A new Rule 26.2 is inserted as follows:

“The business of a meeting of the Board may proceed, notwithstanding the absence of a quorum, if a Director who is unable to attend a meeting appoints another director as his, her or their proxy to exercise that Director’s right to vote on any matter to be resolved at that meeting. In the case of an elected Director the proxy appointed must be another elected Director. Notice of the appointment of a proxy must be given to the Chairperson prior to the meeting of the Board. At the opening of the meeting the Chairperson must declare any notices of the appointment of a proxy that the Chairperson has received. A Director may only ever act as a proxy for one other Director at any meeting of the Board”.
- 10 Rule 38.1 is amended by inserting the words “for any lawful purpose that is permitted in accordance with the objects of the Society including (but without limitation)” after the word “Board” on the second line.
- 11 Rule 38.1(e) is amended by inserting the words “(either in New Zealand or overseas)” in the fourth line after the word “charter” in the fourth line.

- 12 Rule 38.1(g) is amended by deleting the word “or” after the semi-colon.
- 13 Rule 38.1(h) is amended by inserting a semi-colon after the word “elsewhere” at the end of line two.
- 14 A new Rule 39.1(i) is inserted as follows:
- “in the purchase (whether alone or jointly) of the shares or assets of any business or undertaking;”
- 15 A new Rule 39.1(j) is inserted as follows:
- “in the establishment (whether alone or jointly) of any business or undertaking; or”
- 16 A new Rule 39.1(k) is inserted as follows:
- “otherwise in accordance with the Society’s investment policy objectives as determined by the Board from time to time”.
- 17 Rule 41.1 is amended by inserting the words “(if any)” after the word “rate” in the first line and inserting a semi-colon and the word “and” after the word “members” on the second line.
- 18 A new Rule 41.1(d) is inserted as follows:
- “otherwise for any lawful purpose.”

Following the amendments referred to in paragraphs 1 to 18 above, the Rules will be in the form attached to this Notice.

## **EFFECTIVE DATE OF AMENDMENTS**

The amendments referred to in paragraphs 1 to 18 above will come into effect as soon as the amendments have been registered in accordance with the Industrial and Provident Societies Act 1908 and notified to the Commissioner of Inland Revenue, pursuant to Rule 23.

# **RULES OF UNION MEDICAL BENEFITS SOCIETY LIMITED**

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**Registered under the Industrial and Provident Societies Act 1908**

Certified as the Rules of the Society

  
Member/Secretary

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**A. NAME, REGISTERED OFFICE AND OBJECTS****1. NAME OF THE SOCIETY**

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The name of the Society is the **UNION MEDICAL BENEFITS SOCIETY LIMITED**.

**2. REGISTERED OFFICE**

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The registered office of the Society shall be at 165 Gloucester Street, Christchurch or at such place as the Board shall from time to time determine ("**Registered Office**").

**3. OBJECTS OF THE SOCIETY**

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The objects for which the Society is established are:

- 3.1** To institute and manage the Society on a co-operative basis for the benefit of its members.
- 3.2** To provide funds by subscription of the members for:
  - (a)** the payment of medical, surgical, and hospital fees and the costs of ancillary services incurred by or on behalf of the members; and
  - (b)** the payment of benefits in respect of:
    - (i)** personal accident whether fatal or not to members;
    - (ii)** the disease or sickness of members; or
    - (iii)** such other risks that may be underwritten by the Society from time to time.
- 3.3** To further the health, education or welfare of the members and to provide for the relief and maintenance of members when in distressed circumstances.
- 3.4** To make and carry into effect agreements or arrangements with Government, Local Authorities, Hospitals, Nursing Homes, infirmaries, physicians, surgeons or any persons or bodies as may further any of the objects of the Society.
- 3.5** To provide or co-operate in the provision of medical facilities and services of any kind for the benefit of the members.
- 3.6** To provide grants or scholarships for research in all fields of medical or social science or education which further the objects of the Society generally.
- 3.7** To make grants or donations or loans or to amalgamate or affiliate with any association or body having objects similar to the objects of the Society.
- 3.8** To lend or advance money to members upon such security of real or personal property and on such terms as to repayment and interest or otherwise as may be thought fit and to give guarantees in respect of the fulfilment of any contracts or obligations and to become surety for or otherwise financially aid members in distressed circumstances.
- 3.9** To promote or oppose any legislative or other measures affecting or likely to affect the work of the Society or the wellbeing of its members.

- 3.10** To use the funds of the Society in payment of the costs and expenses in furthering or carrying out the objects of the Society or any of them including the employment of a Chief Executive Officer or management company, agents, advisors, counsel, solicitors, accountants, officers or servants as shall appear necessary or expedient.
- 3.11** To guarantee the performance of their duties by the Directors and servants of the Society.
- 3.12** To invest the funds of the Society not immediately required for its purposes in any of the ways authorised by these Rules.
- 3.13** To raise or borrow money for the purposes of the Society and to make arrangements for the discharge or guarantee of all or any of the liabilities of the Society.
- 3.14** To engage in any lawful activity whether by way of acquisition, merger, joint-venture, partnership or collaboration or any other structure (including by an entity established by the Society) and whether alone or jointly with any other party either in New Zealand or overseas where products and services may be provided to or involve members or non-members provided that the Board is satisfied that the engagement is in the overall best interests of the Society and its members.
- 3.15** To do all lawful things as are incidental or conducive to achieving any of the above objects, provided that nothing in these Rules shall be deemed to authorise the Society to carry on the business of banking.
- 3.16** Each of the objects and powers set out in rules 3.1 to 3.15 shall not, except as expressly provided in these Rules, be:
- (a)** limited or restricted by reference to or inference from the terms of any other rule; and
  - (b)** deemed subsidiary or ancillary to any other objects and powers in rules 3.1 to 3.15. The Society shall have the power to exercise all or any part of the powers conferred by any of rules 3.1 to 3.15 independently of any other of rules 3.1 to 3.15.

## **B. MEMBERSHIP**

### **4. UNLIMITED NUMBER OF MEMBERS**

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The Society shall consist of an unlimited number of members.

### **5. APPLICATION FOR MEMBERSHIP**

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- 5.1** Application for membership shall be made in such form, if any, as the Board may prescribe and shall be delivered to the Registered Office of the Society.
- 5.2** Such application shall be considered by the Board or its delegate which shall have a discretion to determine whether the applicant shall be admitted to membership.
- 5.3** If the applicant is admitted to membership, the member shall be granted one Member Share.
- 5.4** The Board may require the applicant or any dependents or relatives who may be eligible for a benefit to undergo a medical examination by a qualified practitioner



approved by the Board, and the cost of such examination shall be borne by the applicant.

- 5.5** The Board may make the grant of membership subject to the payment by the applicant within such time and in such manner as it determines of a subscription or a portion of a subscription payable for that financial year by existing members.

## **6. WITHDRAWAL BY A MEMBER**

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- 6.1** A member shall be able to withdraw from the Society by giving written notice of the decision to do so to the Society at its Registered Office and such notice shall take effect at the expiration of one calendar month from the date of receipt by the Society.
- 6.2** Such withdrawal shall not, in any way, absolve the member of liability to pay the Society any subscriptions or other monies then owing, and the Society may apply any monies to which the member would otherwise be entitled in reduction of such debt.
- 6.3** The Society shall not be liable to make any refund or rebate of the members current paid annual subscriptions either in whole or in part.

## **7. LOSS OF MEMBERSHIP**

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- 7.1** In the event of a member failing to subscribe to one of the funds administered by the Society or failing to pay any subscriptions within 3 months of due date they shall cease to be a member of the Society.
- 7.2** A person shall cease to be a member in the event of the Board determining that their continued membership is detrimental to the interests of the Society.
- 7.3** The Rules relating to withdrawal by a member shall apply in the case of loss of membership insofar as they are not inconsistent with this rule 7.

## **8. DEATH OR BANKRUPTCY OF MEMBER**

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If a member of the Society dies or becomes bankrupt, their membership shall cease provided that their executors, administrators or trustees or the assignee of their estate as the case may be shall upon the production of such evidence as may from time to time be properly required by the Board in that behalf and upon the receipt by the Board of a completed application form or such other accounts or receipts as may be required be entitled to receive payment of any benefit to which the member became entitled on death or to which they would have been entitled at that time if they had not died or been adjudicated bankrupt.

## **C. MEMBER SHARES**

### **9. NUMBER**

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- 9.1** The Member Shares in the Society shall be unlimited in number.

### **10. RIGHTS AND VALUE**

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**10.1** Each Member Share:

- (a)** confers on the holder the right to one vote on a poll at a meeting of members of the Society on any resolution;



- (b) does not confer any interest in the capital or income of the Society;
  - (c) is not transferable;
  - (d) is not withdrawable;
  - (e) is automatically cancelled on the holder ceasing to be a member.
- 10.2** Each Member Share has a nominal value of \$2, to be credited from the reserves of the Society and returned to reserves on cancellation of the Member Share. A member has no right, title or interest in the nominal value of any Member Share and has no liability to personally pay the nominal value to the Society.
- 10.3** Any Historic Share on issue to any Member on the Effective Date is cancelled on the Effective Date and concurrently replaced with a Member Share.
- 10.4** The following historical decisions are hereby ratified in respect of all Historic Shares:
- (a) Members who joined the Society on or after 1 December 2016 had the application fee of \$2 waived;
  - (b) Each Member who joined the Society before 1 December 2016 is to receive a refund of their \$2 share application fee by way of a rebate to policy premium increases effected on the first anniversary of their policy occurring on or after 1 August 2017,

and consequently the cancellation of their Member Shares does not give rise to any right to a refund for them.

## **11. MAXIMUM SHAREHOLDING**

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No member shall be entitled to hold more than one Member Share.

## **12. MEMBER SHARE REGISTER**

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A register shall be kept by the Secretary at the Registered Office in which the Secretary shall cause to be entered the full name, postal address, occupation or status, and date of entrance of each holder of a Member Share, and the Secretary shall cause the register to be amended accordingly in the event of the cessation of membership of any holder of a Member Share. Each member shall notify the Secretary in writing of any change in postal address or occupation or status. For the avoidance of doubt, the information required in this register may be combined with any other records of the Society.

## **D. GENERAL MEETINGS**

### **13. ANNUAL GENERAL MEETING**

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- 13.1** An Annual General Meeting of the Society shall be held in each year on such day not earlier than the 1<sup>st</sup> day of September and not later than the 30<sup>th</sup> day of November at such hour and place as the Board may appoint.
- 13.2** At every Annual General Meeting of the Society a general statement signed by one of the Directors and the Chairperson showing the transactions of the Society for the preceding financial year ending on the 30<sup>th</sup> day of June, the Society's present condition, and the state of its affairs generally, and the accounts and balance sheet together with the Auditor's report, shall be available for inspection by members.

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**14. SPECIAL GENERAL MEETING**

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A Special General Meeting of the Society:

- 14.1** May be called for at any time by the Board.
- 14.2** May be requisitioned by not fewer than 10% of the membership by written notice delivered to the Secretary. On receipt of such a requisition notice, a Special General Meeting must be called, and notice of the Special General Meeting must be given within 28 days of receipt of the requisition notice.

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**15. NOTICE OF MEETINGS**

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- 15.1** Notice of any General Meeting shall be given by advertisement at least once in at least one daily newspaper circulating in each of the four major metropolitan areas of New Zealand at least 21 clear days prior to the day appointed for the meeting.
- 15.2** The advertisement must include the nature of the business to be transacted at the General Meeting and the text of any resolution to be submitted to the meeting.
- 15.3** The advertisement may include a form of proxy.
- 15.4** In the case of an Annual General Meeting the advertisement shall also include a profile of each of the candidates validly nominated for election to the Board (if an election is required).
- 15.5** The Notice must include details of how a member may vote, including (as applicable) any right to vote by proxy, electronic voting or postal voting.
- 15.6** The requirement to "include" any information in the Notice of General Meeting can be satisfied by the Notice stating where that information can be easily and readily accessed by a member, for example on the Society's website.

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**16. NOTICE OF RESOLUTION**

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Any member intending to bring forward a subject for discussion or to move a resolution must give notice in writing to the Secretary no later than the date advised by the Society from time to time as the last date for receipt of notices to ensure that the notice is included in the notice of the General Meeting, and such notice shall specify the subject or set out the resolution to be moved. The Secretary shall provide full information on the notices received to any member who enquires about the notices.

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**17. APPOINTMENT OF CHAIRPERSON**

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- 17.1** The Chairperson of the Board shall chair at all General Meetings if present and willing to act, and if not, the Deputy Chairperson of the Board shall chair.
- 17.2** If neither is present and willing to act, the meeting shall appoint a Chairperson who shall be a Director if any Directors are present and willing to act.
- 17.3** If not, the meeting may appoint a Chairperson from among those members present.

**E. VOTING AT MEETINGS****18. VOTING**

- 18.1** At any General Meeting of the Society each member personally present shall be entitled to:
- (a) one vote for that member; and
  - (b) one vote for each of such proxies as that member may have been appointed to hold up to a maximum of 50 votes.
- 18.2** If any member votes more than once in relation to any matter, the votes shall take priority in the following order: (i) attendance in person or by proxy at the General Meeting; (ii) postal vote; (iii) electronic/internet vote.

**19. PROXIES**

- 19.1** The instrument of appointment of a proxy may be in the form advertised or similar form provided the appointment is in writing under the hand of the appointer. The proxy shall be a person who is personally qualified to vote and the instrument of appointment shall be delivered to the Registered Office not later than 24 hours before the time appointed for the General Meeting.
- 19.2** Any question as to the acceptance or rejection or validity of a proxy shall be determined by the Chairperson or Deputy Chairperson whose decision shall be final.

**20. METHOD AND COUNTING OF VOTES**

- 20.1** At any General Meeting of the Society any resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded (before or on the declaration of the result of the show of hands) by the Chairperson or by at least five persons present in person or by proxy who are entitled to vote. The result from that vote will be combined with any votes received by way of electronic voting or postal voting prior to the commencement of the General Meeting.
- 20.2** Unless a poll is demanded a declaration by the Chairperson that a resolution has or has not been carried and an entry to that effect in the book containing the minutes of the meeting shall be conclusive evidence that the resolution was or was not carried by a majority of those entitled to vote.
- 20.3** A poll, if demanded, shall be taken in such manner as the Chairperson directs.
- 20.4** The Chairperson shall have only a casting vote on any matter on which voting is otherwise equal.

**F. AMENDMENT OF RULES****21. AMENDMENT OF RULES**

- 21.1** These Rules may be amended by:
- (a) a majority of two thirds at a General Meeting; or
  - (b) a majority of two thirds of the Board,

Provided:

- (i) any amendments passed by the Board shall be limited to administrative or technical matters to the intent the Society shall retain its general character but may comply with any requirements of the Commissioner of Inland Revenue or statutory bodies and may avail itself of taxation and general administrative advantages and efficiencies;
- (ii) no amendment shall be of effect until:
  - (A) it is registered in accordance with the Act; and
  - (B) it has been notified to the Commissioner of Inland Revenue.

## **G. THE BOARD**

### **22. COMPOSITION OF THE BOARD**

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- 22.1** The Society shall be managed by a Board of not less than 5 and not more than 8 Directors comprised as follows:
- (a) up to 5 Directors may be elected by the members in accordance with rule 23 ("**elected Directors**"); and
  - (b) in addition to the elected Directors, the Board may at any time appoint or remove up to 3 persons (whether or not they are members of the Society) to be Directors for such period and on such terms as the Board shall think fit ("**appointed Directors**").

### **23. ELECTION OF THE BOARD**

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- 23.1** Elected Directors shall serve (subject to resignation or disqualification) for terms of up to 3 years.
- 23.2** Any person who is a member of the Society shall be eligible for election to the Board (as an elected Director) save for those members who are also employees of the Society. Any such employees shall be eligible for election only on having first tendered their resignation in writing to the Secretary (which resignation may be made conditional on and to take immediate effect on being declared duly elected).
- 23.3** All incumbent elected Directors shall be eligible to stand for re-election on expiry of their terms, unless the Director has already served for three consecutive three year terms.
- 23.4** At least 2 months prior to the Annual General Meeting, the Society will give 10 days' notice calling for the nomination of members for the Board to fill any vacancies due to the expiry of the term of an elected Director, or any other retirement or resignation of an elected Director. The Secretary shall accept as nominations for such positions any written nomination by a member of an eligible member of the Society which is seconded by a member and also endorsed with the acceptance of the member so nominated, and which is accompanied by a profile of the nominee including their relevant qualifications and experience. The Board has the discretion to accept late nominations if it considers acceptance to be in the best interests of the Society.

- 23.5** Each candidate validly nominated for election will be assessed by the Board against the Society's fit and proper policy from time to time in place governing the qualifications, requirements, and other criteria that a person must have or satisfy in order to be appointed as a Director. If the Board does not consider that the candidate meets the requirements of the fit and proper policy, the Board will give written notice of that decision to the candidate, and the nomination will be declined. The Board's decision will be final, and the Board is not required to give any reasons for their decision that the candidate is not suitable for election.
- 23.6** If the candidates validly nominated for election to the Board and who meet the requirements of the fit and proper policy do not exceed the number of vacant positions, all persons so nominated shall, as from the next Annual General Meeting be deemed to be duly elected Directors.
- 23.7** If the candidates validly nominated for election to the Board and who meet the requirements of the fit and proper policy exceed the number of vacant positions, an election shall be conducted at the Annual General Meeting. The notice of the Annual General Meeting will include a profile of each of those candidates.
- 23.8** Such election shall be conducted by voting papers and each voter may vote for as many candidates as there are vacancies.
- 23.9** Two scrutineers appointed by the meeting shall count the votes, and their decision on the regularity of any of the votes shall be final.
- 23.10** The candidates registering the most votes shall be declared duly elected to the vacant positions by the Chairperson and shall take office from the conclusion of the meeting.
- 23.11** In the event of two or more candidates registering the same number of votes for a vacant position, then:
- (a) if one of them is an incumbent Director he / she shall retain his / her position;  
and, if not,
  - (b) the successful candidate shall be determined by lot conducted by the scrutineers.

## **24. RESIGNATION AND DISQUALIFICATION FROM THE BOARD**

- 24.1** All Directors will comply with the Society's Code of Conduct (if any) at all times.
- 24.2** Any Director may resign from office by notice in writing to the Secretary and such notice shall take effect one month from the date it is received.
- 24.3** A Director shall lose office if they:
- (a) cease to be a member of the Society, where they are an elected Director;
  - (b) become subject to a property order made under the Protection of Personal and Property Rights Act 1988;
  - (c) become mentally incapable in relation to property or personal care and welfare, as defined in respect of a donor of an enduring power of attorney under section 94 of the Protection of Personal and Property Rights Act 1988;



- (d) have been absent without permission of the Board from three (3) consecutive Board meetings, or such other number of meetings as the Board may determine;
- (e) are convicted of any offence which in the opinion of the Board renders them unfit to continue in office;
- (f) are removed in accordance with the Society's Code of Conduct;
- (g) in the opinion of at least two thirds of the other Directors:
  - (i) cease to satisfy the requirements of the Society's fit and proper policy from time to time in place governing the qualifications, requirements, and other criteria that a person must have or satisfy in order to be appointed, and continue to hold, a position as a Director;
  - (ii) have otherwise taken any action that is or is likely to be detrimental to the interests of the Society.

## **25. FILLING OF VACANCIES**

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- 25.1** Any vacancies arising among the elected Directors may be filled by the Board appointing a replacement Director.
- 25.2** A Director appointed pursuant to this rule 25:
- (a) must be eligible to be a Director under these Rules, including under rule 23.5;
  - (b) will be deemed to be an elected Director for the purposes of rule 26;
  - (c) will hold office until the next Annual General Meeting following their appointment.
- 25.3** Any partial term served by a Director appointed pursuant to this rule 25 will not be taken into account in determining if the Director has served for the maximum term under rule 23.3.

## **26. QUORUM**

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- 26.1** Subject to rule 26.2, a Quorum for a meeting of the Board shall be a majority of the Directors, of which at least half of those Directors must be elected Directors. A Director forms part of the Quorum if that Director is in attendance in person or by any other means determined by the Board under rule 27.2.
- 26.2** The business of a meeting of the Board may proceed, notwithstanding the absence of a quorum, if a Director who is unable to attend a meeting appoints another Director as his, her or their proxy to exercise that Director's right to vote on any matter to be resolved at that meeting. In the case of an elected Director the proxy appointed must be another elected Director. Notice of the appointment of a proxy must be given to the Chairperson prior to the meeting of the Board. At the opening of the meeting the Chairperson must declare any notices of the appointment of a proxy that the Chairperson has received. A Director may only ever act as a proxy for one other Director at any meeting of the Board.

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**27. POWERS OF THE BOARD**

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- 27.1** The affairs of the Society shall be administered by the Board which may exercise all such powers of the Society as are not by the Act, or by these Rules, required to be exercised by the Society in General Meeting.
- 27.2** The Board shall meet at such times as it deems advisable, including via telephone or video conferencing or Skype, and may adjourn and regulate its proceedings as it thinks fit.
- 27.3** A special meeting of the Board may be called by the Chairperson or any two Directors by circular sent (including by electronic means) to each Director at least two days before the day appointed for such meeting.
- 27.4** The Board may at any time within such limits as it may prescribe appoint any committee and delegate any of its powers except to the extent that may be inconsistent with these Rules or the Act. Any powers delegated may be revoked by the Board at any time, such revocation taking effect as from the time of the delivery of the notice. As a minimum, the Board will appoint an Audit and Risk Management Committee.
- 27.5** Without in any way derogating from the Board's powers and its powers of delegation set out in the Rules the Board may engage a Chief Executive Officer ("**Chief Executive Officer**") or management company to be responsible for the day to day running of the affairs of the Society and the general administration of the society.

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**28. REMUNERATION**

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Elected Directors shall receive such remuneration or gratuities, if any, as is fixed by the Society at an Annual General Meeting from time to time. Appointed Directors, and Directors appointed under rule 25 shall receive such remuneration or gratuities, if any, as is fixed by the Board on the appointment of the relevant Director. All Directors shall in any case be reimbursed for such expenses as the Board shall determine where properly incurred in or about the business of the Society.

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**29. CONFLICTS AND DISCLOSURE OF INTEREST**

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- 29.1** The Board will adopt and maintain a written conflicts policy.
- 29.2** Each Director will comply with the requirements of the conflicts policy from time to time.
- 29.3** Any Director who is in any way directly or indirectly interested in a contract or proposed contract with the Society shall declare the nature of the interest at the commencement of the relevant Board meeting, and shall not vote in respect of any such contract or arrangement, or be counted in the quorum present at the meeting in relation to the resolution concerning that contract or arrangement.

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**30. CHAIRPERSON & DEPUTY CHAIRPERSON**

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- 30.1** At the first meeting of the Board in each year following the Annual General Meeting the Board shall elect a Chairperson and Deputy Chairperson for the ensuing year.
- 30.2** The Chairperson shall chair meetings, and in the Chairperson's absence, the Deputy Chairperson shall chair.



- 30.3** In the event of a vacancy of the position of the Chairperson or Deputy Chairperson, the Board shall elect a replacement Chairperson or Vice Chairperson as the case may be.

## **31. SECRETARY**

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- 31.1** The Board shall appoint a Secretary from the Society's staff after consultation with the Chief Executive Officer.

- 31.2** The Secretary's duties shall be:

- (a)** to prepare agendas and keep correct minutes;
- (b)** to notify all Directors, and the Chief Executive Officer or Auditor when appropriate of general and special meetings;
- (c)** to handle all items of correspondence to the Board, maintain a Member Share register and keep a register of charges;
- (d)** to liaise and maintain contact with the Chairperson and other Directors and with the Chief Executive Officer and Auditor on a regular basis;
- (e)** to carry out and perform such duties as are required by the Rules or as may from time to time be assigned to the Secretary by the Board.

- 31.3** The Secretary shall maintain custody of the Common Seal at the Registered Office of the Society.

## **H. AUDIT**

### **32. AUDITOR & ACTUARY**

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- 32.1** The Society shall appoint an auditor ("**Auditor**") who must be a qualified auditor under section 461E of the Financial Markets Conduct Act 2013, and shall have its financial statements audited as may be required by that Act or any other applicable legislation.

- 32.2** The Board at the first meeting shall appoint the first Auditor. Thereafter the Auditor shall be appointed at each Annual General Meeting, and each Auditor (including the first Auditor) shall be eligible for reappointment in the next or any subsequent year and shall in any case remain in office until notice has been conveyed of the appointment of a successor. The Board may fill any casual vacancy in the office of auditor by appointing an appropriately qualified auditor to hold office until the conclusion of the next Annual General Meeting (but, while the vacancy remains the surviving or continuing auditor may continue to act as auditor).

- 32.3** The Board shall appoint an actuary for the Society in accordance with section 76 of the Insurance (Prudential Supervision) Act 2010.

- 32.4** A copy of the Society's most recent audited financial statements shall be made available, on request and free of charge, to every member of the Society.

**I. SUBSCRIPTIONS AND BENEFITS****33. FIXING OF SUBSCRIPTIONS**

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**33.1** The Board may:

- (a) require payment by the members of a general and/or specific subscriptions of such amounts as it may determine from time to time for the funds of the Society generally and/or for any specific fund or funds;
- (b) from time to time determine the time and manner of payment of such subscriptions and the apportionment of any general subscription between any specific funds.

**33.2** The exercise of these powers by the Board shall be subject to review by the Society in General Meeting provided that the requirements and determinations shall stand unless and until so reviewed.

**34. FIXING OF BENEFITS**

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The Board shall, from time to time, fix the type and the amount of benefits payable by the Society to its members. The Board shall have power from time to time to amend, vary or suspend such benefits.

**35. APPLICATION FOR BENEFIT**

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**35.1** Applications for payment of any benefit shall be made in such form, if any, as is prescribed by the Board, accompanied by such certified accounts or receipts as may be required by the Board from a hospital or surgeon or other person who has provided the service.

**35.2** Every claim for payment of a benefit shall be lodged with the Society within such time of the claimants receiving such hospital, surgical or other attention as the Board may determine.

**35.3** The Board is authorised to obtain any information with regard to any service for which a benefit is claimed or paid including information as to diagnosis, history, and treatment, and a member called upon so to do will give any authority or consent which may be required to enable such information to be obtained.

**36. LIMITATION OF BENEFITS**

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**36.1** No benefit shall be payable for the expenses occasioned by or in respect of the treatments, infirmities or conditions contained in tables to be adopted from time to time by the Board.

**36.2** A member shall not be entitled to receive a benefit from the Society in respect of a claim for which they are reimbursed from any other source in circumstances which would return to the member a greater amount than 100 per cent of the actual expenses paid.

**36.3** No benefit shall be paid to or on behalf of any member whose subscription is in arrears.

**37. DISCRETIONARY PAYMENTS**

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**37.1** In exceptional circumstances the Board may, in its absolute discretion, make an ex-gratia grant in aid to a member towards the cost of any accommodation, treatment, or other service (of a type for which a benefit is normally payable) notwithstanding that:

- (a) any condition applicable to payment of a benefit is not fulfilled; or
- (b) payment in excess of the benefit provided in the tables would be made.

**J. APPLICATION AND INVESTMENT OF FUNDS****38. APPLICATION AND INVESTMENT OF FUNDS**

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**38.1** Funds of the Society or any part of them may be invested from time to time at the direction of the Board for any lawful purpose that is permitted in accordance with the objects of the Society including (but without limitation) in the following ways:

- (a) in the purchase or lease in its own name of any land or buildings and it may hold, sell, exchange, mortgage, lease or build upon the same (with power to alter and pull down buildings and again rebuild);
- (b) in any bank within the meaning of the Reserve Bank of New Zealand Act 1989.
- (c) in any debentures, bonds or treasury bills issued by or on behalf of the Government under the authority of any Act;
- (d) on loan to any member of the Society on the security of such real or personal property as the Board may think fit;
- (e) in the shares or on the security of any other Society registered under the Act, or under the Building Societies Act 1965, or of any company registered under the Companies Act 1993, or incorporated by Act or by charter (either in New Zealand or overseas), provided that no such investment shall be made in the shares of any society or company other than one with limited liability;
- (f) in the bonds, debentures or other securities of any local authority;
- (g) on first mortgage of freehold or leasehold lands in New Zealand;
- (h) in any "financial product", as that term is defined in section 7 of the Financial Markets Conduct Act 2013, in New Zealand or elsewhere;
- (i) in the purchase (whether alone or jointly) of the shares or assets of any business or undertaking;
- (j) in the establishment (whether alone or jointly) of any business or undertaking; or
- (k) otherwise in accordance with the Society's investment policy objectives as determined by the Board from time to time.

**K. BORROWING POWERS****39. BORROWING POWERS**

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The Board may exercise all the powers of the Society (except where by law these are required to be exercised by the Society in General Meeting) to borrow money, and to mortgage or charge the property and assets of the Society or any part of them, and to issue any securities which the Society is lawfully entitled to issue, whether outright or as security for any debt, liability or obligation of the Society.

**L. PROFITS****40. NO PROFITS PAYABLE TO MEMBERS**

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The income and property of the Society shall be applied solely towards the promotion of the objects of the Society as set out in these Rules and shall not be paid or transferred directly or indirectly as profit to the members of the Society.

**41. APPLICATION OF PROFITS**

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- 41.1** Upon payment or providing for expenses of management and administration and after payment of interest and instalments of principal on loans or deposits and after allowing for depreciation at such rates as the Board shall determine, the net profits of the Society shall be applied in each year as follows:
- (a) in establishing such reserve funds as the Board may deem necessary for meeting any contingencies affecting the objects of the Society;
  - (b) generally in promoting the objects of the Society as set out in these Rules;
  - (c) in rebate to members at such rate (if any) as the Board may declare of the amount of the annual subscriptions payable by members; and
  - (d) otherwise for any lawful purpose.

**M. DISSOLUTION OF SOCIETY****42. MODE OF DISSOLUTION**

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The Society may be dissolved as provided for in section 15 of the Act.

**43. DISPOSAL OF FUNDS**

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- 43.1** Any monies remaining after payment or provision by the Society for any debts or other financial obligations it may have shall be applied:
- (a) in repayment to the members of their interest in share capital (if any) should such monies be sufficient to do so and if not, pro-rata distribution towards that end;
  - (b) any monies still remaining shall be distributed to any persons (other than any member of the Society) or any society, company or other organisation as shall be determined by the Society prior to such dissolution provided that the rules or constitution of such society, company or organisation shall provide that its

funds be applied within New Zealand and shall prohibit distribution of the assets to its members upon its dissolution;

- (c) if and so far as effect cannot be given to the foregoing provisions then to some charitable object confined in New Zealand.

## **N. MISCELLANEOUS**

### **44. BRANCH AND AGENCY OFFICES**

The Board shall have power to direct the establishment or the closure or any branch and / or agency offices of the Society in any other city, town or place in New Zealand.

### **45. SIGNING OF CONTRACTS AND DOCUMENTS**

- 45.1** Every contract or document to which the Common Seal of the Society must be affixed shall be signed by at least two Directors or by one Director and the Chief Executive Officer, and they shall attest the affixing of the Seal by their signatures and such signing by the Director(s) and / or the Chief Executive Officer shall be sufficient evidence of authority to use the Seal.
- 45.2** The Society may enter into contracts, and sign documents, including those required to be signed under the Land Transfer Act 1952, by:
  - (a) two Directors, or one Director and the Chief Executive Officer signing the contract or document; or
  - (b) by any other person(s) acting under the express or implied authority of the Society signing the contract or document.

### **46. DISPUTES**

- 46.1 Chief Executive Officer:** Any member who has a complaint or is in a dispute with the Society, an employee or contractor of the Society, a Director or another member about any aspect of these Rules of the Society's business (**Complaint or Dispute**) shall in the first instance refer the Complaint or Dispute to the Chief Executive Officer in writing, providing sufficient information about the nature of the Complaint or Dispute. The Chief Executive Officer shall endeavour to resolve the Complaint or Dispute to the member's satisfaction.
- 46.2 Board:** If the Complaint or Dispute is not resolved under rule 46.1, a member may refer the Complaint or Dispute to the Board for determination.
- 46.3 Mediation:** If the Complaint or Dispute is not resolved under rule 46.2, the Complaint or Dispute may be referred to mediation to be conducted by a mediator at a fee agreed by the member and the Board, in accordance with the LEADR New Zealand Incorporated standard mediation agreement. Failing agreement between the member and the Board, the mediator shall be selected, and the mediator's fee shall be determined, by the Chair for the time being of LEADR New Zealand Incorporated.
- 46.4 Arbitration:** If the Complaint or Dispute is submitted to arbitration under the Arbitration Act 1996 ("**Arbitration Act**"):
  - (a) for the purposes of the following articles in the First Schedule to the Arbitration Act:

- (i) **Article 11(2):** the arbitrator will be a person agreed upon in writing by the member and the Board or, if the member and Board are unable to agree on an arbitrator within a week after the Complaint or Dispute is submitted to arbitration, an arbitrator nominated by the President for the time being of the New Zealand Law Society;
  - (ii) **Article 20(1):** the place of arbitration will be Christchurch, New Zealand;
  - (iii) **Article 21:** the date on which the arbitration proceedings commence will be the date on which the Complaint or Dispute is submitted to arbitration under this rule 46.4;
  - (iv) **Article 22(1):** the language used in the arbitration proceedings will be English;
  - (v) **Article 28(1):** the law applicable to the substance of the Complaint or Dispute will be New Zealand law;
- (b) the arbitration will not be an international arbitration for the purposes of the Arbitration Act;
- (c) the decision of the arbitrator will be final and binding on the member and the Society.

**46.5 Insurance & Financial Services Ombudsman:** This rule 46 is without prejudice to the members' and the Society's rights and obligations under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 ("FSPA"), the Insurance & Financial Services Ombudsman Scheme, and any other dispute resolution scheme under the FSPA that the Society belongs to from time to time.

## **47. INTERPRETATION**

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- 47.1** Words importing the singular number include the plural and words importing the plural include the singular.
- 47.2** "Auditor" has the meaning given to that term in rule 32.1.
- 47.3** "appointed Directors" has the meaning given to that term in rule 22.1(b).
- 47.4** "Chief Executive Officer" has the meaning given to that term in rule 27.5.
- 47.5** "Director" means a member of the Board elected or appointed under these Rules.
- 47.6** "Effective Date" means 26 October 2017.
- 47.7** "elected Directors" has the meaning given to that term in rule 22.1(a).
- 47.8** "Historic Share" means a share that was issued to a member for \$2 (whether or not paid) under any version of the Rules registered on or before 20 November 2015.
- 47.9** "Member Share" means a membership interest in the Society having the rights set out in rule 10.1.
- 47.10** "Registered Office" has the meaning given to that term in rule 2.
- 47.11** "The Act" means the Industrial and Provident Societies Act 1908 and its amendments.



- 47.12** "The Society" means the Union Medical Benefits Society Limited.
- 47.13** "The Board" means the Board of Directors as constituted in these Rules.
- 47.14** A reference to "member", in the context of any benefits referred to in these Rules, includes any person entitled to a benefit under an insurance policy issued by the Society to a member.
- 47.15** References in these Rules to any statutory provision are to statutory provisions in force in New Zealand and include any statutory provision which amends or replaces it, and any bylaw, regulation, order, statutory instrument, determination or subordinate legislation made under it.
- 47.16** In these Rules, a member of the Board is referred to as a "Director" to reflect their governance role and to differentiate a Director from a member of the Society. A reference to Director in these Rules is not a reference to a director as that term is defined under the Companies Act 1993.
- 47.17** The Board may determine all questions and matters of doubt that may arise in respect of the interpretation and application of these Rules.



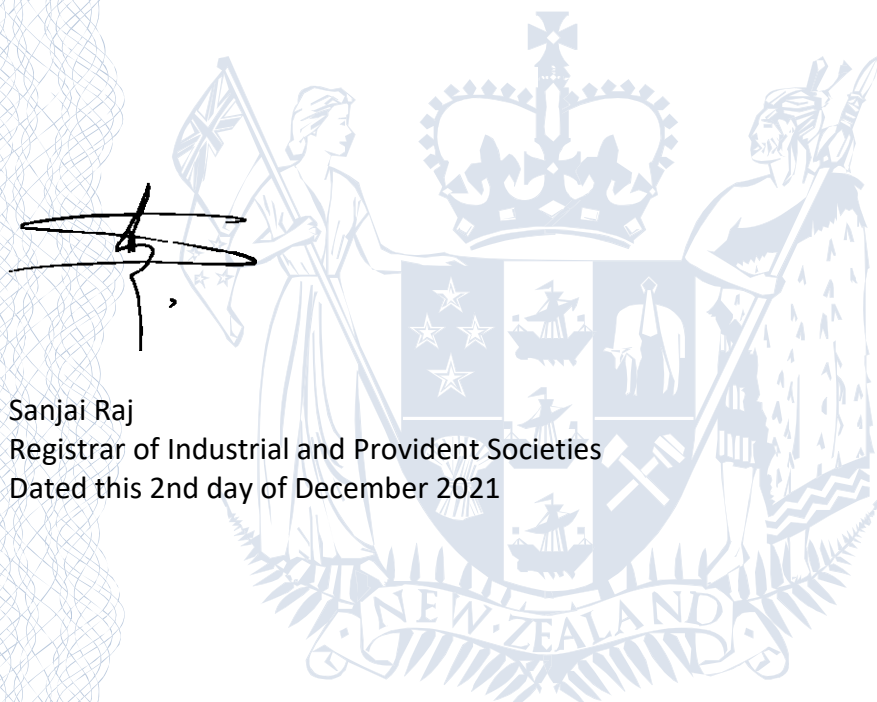


COMPANIES OFFICE

**UNION MEDICAL BENEFITS SOCIETY LIMITED  
(210021)**

**ACKNOWLEDGMENT OF REGISTRY  
OF AMENDMENT TO RULES  
(Section 7(1)(d) of the Industrial and Provident  
Societies Act 1908)**

The foregoing amendment of the rules of **UNION MEDICAL BENEFITS SOCIETY LIMITED** is registered under the Industrial and Provident Societies Act 1908 on this 2nd day of December 2021.



Sanjai Raj  
Registrar of Industrial and Provident Societies  
Dated this 2nd day of December 2021