

# TAANZ Constitution and Rules

*Adopted at the annual general meeting held on October 30 1969, and incorporating amendments passed at the annual general meetings held on October 29 1970, October 11 1974, October 5 1976, September 20 1977, October 15 1979, October 1 1980, special general meeting on May 18 1981 and at the annual general meetings held on October 3 1984, October 15 1985, October 16 1986, October 17 1998, September 14 1989, September 10 1994, September 2 1995, September 7 1996, October 6 2001, October 18 2003. Postal vote May 2004 and annual general meetings October 9 2004, September 21 2006, September 19 2007, September 17 2008 and September 2, 2009, September 15 2010, Postal vote July 2011, August 30 2011, August 28 2012, September 18 2013, September 3 2014, Special General Meeting November 13 2014, September 9 2015, September 9 2016. Postal Vote January 2019, Annual General Meeting 18 October 2019, Annual General Meeting 28 October 2020, Annual General Meeting 30 November 2021*

## **Name**

1 The name of the Association shall be the Travel Agents' Association of New Zealand Incorporated.

## **Registered Office**

2 The registered office of the Association shall be situated on Level 2, 125 Featherston Street, Wellington Central, Wellington or such other place in New Zealand as the board of directors may from time to time determine.

## **Objects**

3 The objects for which the Association is established are:

- (a) To unite in one organisation those persons, firms or corporations engaged in the sale of travel and the facilities of travel to the public.
- (b) To establish and maintain a code of ethics for travel agents.
- (c) To protect and promote the mutual interests of the members of the Association.
- (d) To stimulate, encourage and promote the desire to travel.
- (e) To acquaint the public of the services which members are able to render with a view to establishing that membership of the Association is a guarantee of competence and integrity.
- (f) To discourage unfair competition without in any way interfering with initiative and enterprise based on fair trading.
- (g) The consideration of all questions connected with travel and the sale and encouragement of travel.
- (h) To promote or oppose legislative and other measures affecting travel and travel agents.
- (i) To do all such other things as in the opinion of the board of directors of the Association are incidental or conducive to the attainment of the above objects or any of them.
- (j) To invest the moneys of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

## Membership

### Full Members

4 Full membership of the Association shall be restricted to persons and corporations approved by the Board of Directors and who are engaged in New Zealand in the sale of travel and the facilities of travel. Applicants for membership and existing members must meet and continue to comply with the criteria for membership. The criteria for membership shall be those criteria which are from time to time fixed by the Association in general meeting.

5 No person or corporation shall be admitted as a full member until a bond to the satisfaction of the bonding authority has been completed.

6 Applications for membership shall be in such form as may be prescribed by the board of directors, and the board, on being satisfied as to the qualifications of the applicant, may in its discretion admit the applicant to membership.

### Rights and Privileges of Membership

7 Full Members of the Association shall be entitled to exercise the following rights and privileges:

(a) To attend all general meetings of the Association and to speak and vote thereat.

(b) In the case of corporation members, to appoint from time to time a person to represent the corporation at meetings of the Association and to exercise the voting rights of such corporation; any persons so appointed shall be eligible for membership of the board of directors and shall for all purposes of these rules except the rules relating to entrance fees, subscriptions and levies be deemed to be a member.

(c) To receive from the Association a certificate of membership; and in the case of a member operating more than one place of business to an extra certificate for every such additional place of business, such certificate to be issued under the common seal of the Association.

(d) The right to use, for display and advertising purposes, and on the member's own stationery, the design or emblem of the Association, a copy of which appears opposite, or any other design or emblem hereafter adopted by the Association.

### Allied Members

8 Notwithstanding anything contained in the foregoing rules the board of directors may in its discretion admit as allied members persons or corporations engaged in the travel industry or in activities closely allied with the industry but who are not eligible for membership under the foregoing rules; they shall be entitled to attend or be represented at general meetings of the Association and at any conference of travel agents which members are entitled to attend but shall not be entitled to vote at any meeting of the Association or be eligible for any office in the Association and shall not be entitled to any other privilege of membership, other than as set out in Rule 9.

9 Allied members shall have the right to use for display and advertising purposes and on their stationery the design or emblem of allied supplier membership approved by the board of directors. Whenever at any other time allied members wish to acknowledge their allied membership of the Association the following wording only shall be used and quoted: "An allied member of the Travel Agents' Association of New Zealand Incorporated " (or in its abbreviated form "TAANZ" )

### **Life Members**

10 On the recommendation of the Board of Directors any individual may be elected a Life Member at any general meeting of the Association (notice of the proposal for such election having been given in the notice convening the meeting) in recognition of outstanding services to the Association or the travel and tourism industry in New Zealand or elsewhere. The election of a Life Member shall require a three fourths majority vote of Members present at the meeting and entitled to vote. A life member shall be entitled to all the privileges of membership except voting, without payment of any subscription or other sum payable by ordinary Members.

### **Cesser of Membership**

11 The membership of a member or an allied member shall forthwith cease and determine if:

- (a) The member/allied member resigns, having first paid all current membership dues and subscriptions thereby being a financial member at the time of resignation;
- (b) Any one or more of the following circumstances arise or exist and the Chief Executive or in the absence of a Chief Executive the President by notice in writing sent to the member/allied member at his/her/its last known address, advises the member/allied member that its membership of TAANZ has been terminated;
  - (i) The member ceases to be qualified for membership under the Association Rules.
  - (ii) The member fails to pay any sum due by the member to the Association for a period of one month after notice of the member's default has been given to the member by the Association;
  - (iii) The member fails to pay the annual subscription levy payable by such members pursuant to the Rules of the Association;
  - (iv) The member ceases to meet the criteria for membership established from time to time by the Rules;
  - (v) Where the member is an individual, the member becomes a bankrupt or compromises with his creditors or becomes lunatic or of unsound mind or commits any indictable offence; or
  - (vi) Where the member is a corporation, it goes into liquidation (save for the purposes of reconstruction) or if a receiver of its undertaking or assets is appointed;
  - (vii) Within one month of a request being received from the TAANZ Bonding Authority the member fails to provide information required by the Bonding Authority in respect of renewal of the bond or any other details concerning the bond in general; or
  - (viii) Within two calendar months from the date of opening a new branch, the member's application to have a branch location has not been received by the Association and approved by the Board.

Restraint on Employment

12 TAANZ members shall not employ in any managerial capacity any person who was the owner, operator, or manager of a TAANZ member at the time when such member defaulted in its duty as a travel agent (hereinafter referred to as "the defaulting TAANZ member") in circumstances which gave rise to a successful claim or claims on the Bonding Fund. This prohibition on employing such person shall apply for a period of 10 years commencing on the date of the default by the defaulting TAANZ member which gave rise to the claim on the Bonding Fund. The prohibition shall not apply in relation to any person who has established to the satisfaction of the Board that the default, giving rise to the claim/claims on the Bonding Fund, was not due in any way to the actions of that person as the owner, operator, or manager of the defaulting TAANZ member.

#### Compliance with Legislation and Regulations

13 TAANZ members shall comply with all acts of Parliament, Regulations, and Statutory Notices which affect them in their management and operation of travel businesses.

#### **Entrance Fees and Subscriptions**

14 (a) Every applicant for membership shall pay such entrance fee as may from time to time be fixed by the Association in general meeting.

(b) Where the TAANZ Membership and Bonding Criteria require that the consent or approval of TAANZ be obtained before a change of ownership of shares in a TAANZ member is effected or before a proposed change of ownership of a member's business takes effect, the TAANZ Board of Directors may fix and determine an appropriate charge or fee to be levied on an applicant to reimburse TAANZ for the costs and expenses implicit in the processing of the applications.

(c) Every member shall pay an annual subscription. The amount of the annual subscription and the amount of any other charges to be levied on members from time to time shall be fixed by the Association in General Meeting. The amount of the annual subscription shall remain at the level it has been fixed until it is changed by a resolution of the Association passed at a general meeting of the Association.

(d) The annual subscription to be paid by the members need not be a uniform amount. Without in any way limiting the generality of the power of the Association to fix annual subscriptions and charges in general meeting the Association may, in fixing the amount of the annual subscriptions to be paid by a member, have regard to the number of places of business from which the member conducts business, the number of TAANZ Approved Travel Advisors engaged by the member, the number of selling staff engaged by the member, or any other criteria the Association may determine are appropriate, and may adjust annual subscriptions accordingly.

(e) Every allied member shall pay such annual subscriptions as shall be fixed from time to time by the Board of Directors.

(f) The annual subscription and any charges or levies on members made pursuant to Rule 14 hereof shall be paid within 30 days of the date of the invoice. Subscriptions, charges, and levies remaining unpaid thereafter shall be increased by 10%. Notice of such increase given to a member shall be deemed to be a notice of default

for purpose of Rule 11(b)(ii) hereof and a failure to pay such increased invoice within a period of one month will have the consequence that membership can be terminated immediately thereafter by a notice in writing sent to the member at the member's last known address.

#### **TAANZ Approved Travel Advisors**

15 (a) TAANZ shall establish a roll of TAANZ Approved Travel Advisors (Travel Advisors) on which it shall establish the names of those persons who have been granted the status of Approved Travel Advisors by the Board. The roll shall also include the name of the TAANZ member by which or whom the Travel Advisor is engaged.

(b) A TAANZ member which or who wishes to enter into a contract with a person pursuant to which that person is to provide services selling travel for and on behalf of the TAANZ member as an independent contractor (rather than as an employee) must ensure that the person so engaged is a TAANZ Approved Travel Advisor. Any person who wishes to sell travel and related services to members of the public may apply to become a TAANZ Approved Travel Advisor. Such person will need to complete and lodge with TAANZ an application in a form prepared by TAANZ and to meet and continue to comply with the provisions of these rules which apply to Travel Advisors and with the criteria and conditions established by TAANZ for being a Travel Advisor.

(c) A TAANZ member which or who engages a Travel Advisor must ensure that the Travel Advisor complies with the following requirements:

(i) The name of the Travel Advisor must be entered on, and remain on, the Roll of TAANZ Approved Travel Advisors.

(ii) The Travel Advisor is not contracted to, and does not undertake work for, any other TAANZ member agent or non TAANZ travel agent. A Travel Advisor is not permitted to work for, or be contracted to, more than one TAANZ member at any one time.

(iii) The Travel Advisor does not enter into any arrangements with principals which would enable the Travel Advisor to sell the products or services of such principals directly. The TAANZ member must ensure that every transaction implemented by a Travel Advisor, and all documentation relating to such transactions, is channelled through the TAANZ member.

(iv) The Travel Advisor does not issue travel documents to clients unless the cost of the same is charged directly by the supplier to the account of the TAANZ member. Travel documentation which is not charged directly to the TAANZ member's account is to be issued by the TAANZ member.

(v) The Travel Advisor does not receive the purchase price, or any part thereof for the travel he or she may sell. The purchase price is to be paid directly to the TAANZ member represented by the Travel Advisor. The only exception to this is when payment is made by the client being serviced by the Travel Advisor to the TAANZ member's bank account, or, by crossed cheque made payable to the TAANZ member.

(vi) The Travel Advisor must either work out of his or her home or out of an approved location of the TAANZ member. Where a Travel Advisor wishes to work out of an office that is neither a currently approved location of the TAANZ member, nor located at the Travel Advisor's home, the TAANZ member, in conjunction with the Travel Advisor, must firstly apply to TAANZ to have the location in question approved as an approved location of the TAANZ member.

(vii) All signage and marketing collateral used by the TAANZ Advisor, irrespective of the media in which such material is to appear, must identify that the Travel Advisor is a Travel Advisor for the TAANZ member. For the avoidance of doubt, the convention is to be: first name, surname, followed by, "travel advisor", for (the name of the TAANZ member) The use of the trading name of the TAANZ member is acceptable.

Should an issue arise as to whether the signage, advertising, marketing, or any other public representation is in breach of this provision the matter shall be referred to the Chief Executive Officer, (or, in the absence of the Chief Executive Officer the President) of TAANZ who shall determine what, if any, changes need to be made. The TAANZ member shall accept the decision of the Chief Executive Officer (or President) of TAANZ and ensure that the Travel Advisor makes the appropriate changes of adjustments.

(viii) The Travel Advisor complies with all conditions and criteria from time to time required to become and remain a TAANZ Approved Travel Advisor.

(d) Travel Advisors may advertise their services and advise details of how they can be contacted at either their home or at the approved location of a TAANZ member that has engaged them.

(e) It is permissible for a TAANZ member to enter into a contract with a company, which company agrees to make the services of a particular Travel Advisor available to the TAANZ member. The arrangement is only permissible where the company which contracts with the TAANZ member is a company controlled by the Travel Advisor who is to provide the services for the TAANZ member, or by interests which are closely associated with that Travel Advisor. In every case the TAANZ member shall ensure that the TAANZ member has an exclusive arrangement with the Travel Advisor for the provision of services by the Travel Advisor. Only natural persons can be TAANZ-approved Travel Advisors and the TAANZ member must ensure that its contractual arrangements take cognisance of this requirement.

(f) All TAANZ members who or which engage a Travel Advisor as an independent contractor are required to accept that the security they provide to the TAANZ Bonding Authority covers all transactions handled by/implemented by the Travel Advisor in the same way and to the same extent as the member would be responsible for the actions of the Advisor if he or she were an employee of the member.

#### **TAANZ approved locations: Branch Offices**

16 (a) TAANZ members shall only operate from approved locations and shall meet and comply with the criteria specified from time to time in the Criteria for Membership relating to premises.

(b) TAANZ members who advertise themselves or otherwise hold themselves out to members of the public as having either:

(i) An office based at a location, or in a district which is different from the TAANZ member's approved location, from which the TAANZ member is capable of servicing the general or specific needs of members of the public; or

(ii) An employee, or a TAANZ Approved Travel Advisor, who is capable of servicing the general or specific travel needs of the public at a location or in a district which is different from the TAANZ member's approved location;

must establish an office at that location or in that district which must meet the criteria laid down by TAANZ from time to time for branch offices. Where applicable, the TAANZ member must pay such additional subscriptions as may be from time to time fixed for a branch office.

(c) By way of exception to this requirement to establish a branch office as set out in Rule 16(b) hereof, a TAANZ member may service clients, or potential clients who are located in a district outside of that serviced by the TAANZ member's approved location, if the TAANZ member engages the services of a TAANZ Approved Travel Advisor to do so provided that neither the TAANZ member, or the TAANZ Approved Travel Advisor promotes or advertises itself/himself/herself or otherwise holds itself/himself/herself out to members of the public as having an office or base in that district from which the TAANZ member or TAANZ Approved Travel Advisor is capable of servicing the general or specific travel needs of members of the public at that location or in that district. This prohibition does not prevent a TAANZ Approved Travel Advisor from advertising his or her services or from providing details of how the TAANZ Approved Travel Advisor can be contacted by phone, electronic communication, or residence.

## **Levies**

17 The Association in general meeting at any time may determine by resolution passed by a two-thirds majority of all voting members present and entitled to vote at a meeting of the Association duly convened, to make levies on members or any class of members. The notice convening the meeting shall set out the proposal to make the levy and the amount thereof. Upon the passing of the said resolution a notice of the levy shall be served upon the members affected thereby who shall become liable therefore after the expiration of fourteen days from the date of service.

## **General Meetings**

18 A general meeting, to be called the annual general meeting, shall be held once in every year, within six months after the end of the Association's financial year, at such time and place and by such means as may be determined by the board of directors.

19. A special general meeting may be convened in New Zealand at any time by the Board of Directors. In addition, the Board of Directors shall be required to convene a special general meeting when requisitioned to do so by 10 or more members. Such requisition shall set out the resolutions proposed to be moved at the special general meeting. When this happens the Board shall convene a special general meeting to consider the resolutions set out in the requisition which is to take place within the period of thirty days of the date on which the Board received the requisition. Should the Board fail to convene a special general meeting within the period of thirty days any one or more of the members who requisitioned the special general meeting shall be

competent to convene the special general meeting, which shall then take place and be as effective as if the Board had convened the meeting.

20. The Board shall give all members of the Association not less than 14 days' notice of any general meeting of the Association specifying the day, hour, and place of the meeting, and in the case of special business the general nature of such business and copies of any resolutions proposed to be moved at the meeting. The accidental omission to give such notice of the general business, or the proposed resolutions to be put to the meeting, or the non-receipt thereof by any member shall not invalidate the proceedings of such meetings.

21. The Board of Directors shall have the power to convene a general meeting on the basis that, in addition to members attending in person, they may also attend remotely by means of audio-visual communication technology. When the Board exercises its discretion to permit members to attend a meeting by audio-visual communication it shall ensure that the mechanism to attend a general meeting in this manner is available to all members who wish to attend in that way. The members themselves will each be responsible for ensuring that they have the necessary technology to attend and take part in the meeting in this manner and to hear and communicate with the chairperson of the meeting and other participants throughout the course of the meeting.

Where the Board exercises its discretion to allow attendance at general meetings of the association remotely by audio-visual communication, the quorum of the meeting shall be determined by including all those members who attend remotely utilizing audio-visual communication means as well as those members who attend the meeting in person.

In the event that during the course of a general meeting at which the Board has authorized members to attend remotely by audio-visual communication technology a member or number of members lose access to the meeting through a failure in the audio-visual link such loss of access shall not invalidate the proceedings of such meeting provided that there remains at all times a quorum of members present who are able to participate in the meeting.

22. Ten members personally present ( whether in person at the specified place for the general meeting or by audio-visual link) shall constitute a quorum for any general meeting; if any general meeting convened by the board of directors other than pursuant to a requisition a quorum shall not be present within fifteen minutes of the time fixed for the meeting, the same shall be adjourned to such date, time and place as the chairman shall determine, and at such adjourned meeting the members present either in person or by means of the approved audio-visual shall form a quorum; if at any general meeting convened pursuant to a requisition or by the requisitioner a quorum shall not be present within fifteen minutes after the time fixed for the meeting, the meeting shall be dissolved.

### **Proceedings at General Meetings**

23. The president shall be entitled to take the chair at every general meeting at which he is present in person or by audio-visual link, but in his absence, or if he shall be unwilling to act, the vice-president or failing him the immediate past president shall be entitled to take the chair. If at any meeting neither the president nor the vice-president nor the immediate past-president shall be present personally or by audio-visual link or willing to act, the members present or audio-visually linked to the meeting shall choose another member of the board of directors to act as chairman and if no member of the board of directors is present either personally or by audio-visual link, or if he declines to take the chair, then the members present or audio-visually linked to the meeting shall choose one of their number to be chairman of that general meeting

24. Every question submitted to a meeting shall be decided in the first instance on a show of hands; and in the case of an equality of votes the chairman shall, both on a show of hands or on a poll, have a casting vote in addition to the vote or votes to which he is entitled as a member.

25 The Chairman or any three members present personally or by audio-visual link may demand a poll, and if a poll is demanded it shall be taken in such a manner as the chairman may direct.

26 The demand of a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

### **Votes of Members**

27 (a) At a general meeting full members shall be entitled to the number of votes calculated as the percentage which the annual subscription(s) paid by the Member for the then-current financial year bears to the total annual subscriptions for that year received by the Association from all Members prior to the general meeting PROVIDED HOWEVER that if no annual subscriptions were payable for that financial year votes will be determined as follows:- (i) each Member will be entitled to one vote as of right; and (ii) if a Member has more than one approved location from which the Member conducts business, that Member shall be entitled to one additional vote for each of the first five of those additional locations and thereafter to one additional vote for every three such locations.

(b) Membership subscriptions must be paid up to date for the member to be eligible to vote at a General Meeting.

(c) A resolution on a matter normally decided at a General Meeting of members may be determined by means of a postal vote if, in the absolute discretion of the Board of Directors, any such matter should be determined by means of a postal vote. Any such postal vote shall be taken in such manner as the Board of Directors shall direct and the result of such postal vote shall have the same effect as a vote of members passed at General Meeting of the Association. The provisions of Rule 19 relating to the calling of general meetings on the requisition of ten members of the Association shall not apply to this Rule.

Where a postal vote is directed by the Board pursuant to this Rule, any motion shall be carried by a simple majority of votes cast pursuant to the postal ballot, except that the majority required by Rule 51 will apply in respect of the postal ballot on a motion to amend these Rules.

28 At any general meeting of the Association votes may be cast either personally or by proxy provided however that where a vote is to be cast by proxy the instrument appointing the proxy must be deposited with the Association at its registered office at least 48 hours before the time appointed for the meeting. Companies or firms who are members of the Association may be represented at general meetings by a person who has been authorised by the company or firm to represent it at such meeting. Any person with the appropriate authority to represent a company or firm which is a member of the Association may vote at any general meeting of the Association on behalf of that member company or member firm. To be eligible to be appointed as a proxy a person must be either a member of the Association or a person who is authorised by a company or firm which is a member of the Association to represent such company or firm at the meeting.

### **The Board of Directors**

29 The management of the affairs of the Association shall be vested in a Board of Directors, which shall

comprise: - (a) not more than ten persons all of whom shall be elected at an annual general meeting of the Association. Each year, one of the members so elected shall be elected by the Board to be the President of the Association and one of the members so elected shall be elected to be the Vice President of the Association; and ~~(d)~~(b) The Immediate Past President of the Association who shall be an ex – officio member of the Board of Directors.

30 At the Annual General Meeting in every year all elected members of the Board of Directors who have served a term of two (2) years shall retire from office, but every such member shall be eligible for re-election.

31 (a) Nominations for members of the Board of Directors to replace those members who have resigned or become ineligible to hold office pursuant to Rule 33 hereof, or, who have served a term of two (2) years and who are required to retire pursuant to Rule 30 hereof, shall be signed by at least two members and deposited at the registered office of the Association not less than 20 days before the date fixed for the Annual General Meeting. In the event of the number of nominations exceeding the appropriate vacancies, an election shall be held at the Annual General Meeting

(b) The Board of Directors shall include in the Notice of the Annual General Meeting to be given to members, the names of those nominated for the position of a member of the Board of Directors.

(c) If an election is necessary for the position of a member of the Board of Directors that election will take place at the Annual General Meeting.

(d) In the event of there being an equality of votes for candidates for the position of a member of the Board of Directors, the Chairman of the Annual General Meeting shall have the casting vote.

(e) In the event of there being less nominations for membership of the Board of Directors than there are vacancies; (i) those nominated for appointment shall be declared at the annual general meeting to have been duly appointed to the Board; and (ii) additional nominations shall be accepted from the floor of the meeting to fill that further vacancy and if as a result of these additional nominations from the floor of the meeting there are more candidates nominated than positions which are available to be filled, an election shall take place to fill that vacancy.

32 The Board of Directors so elected as aforesaid shall have power to co-opt to its number not more than three persons and such co-opted persons shall be entitled to receive notice of and to attend all meetings of the Board of Directors and to take part in the discussions and proceedings of the Board of Directors and to exercise a vote thereat. A co-opted member of the Board shall hold office until the immediately following annual general meeting of the Association, or until the expiration of the period prior to the next annual general meeting for which the co-option was made PROVIDED HOWEVER that for the financial year ending 31 May 2022, any board member co-opted during that financial year shall be deemed to have been appointed for a term finishing at the annual general meeting for the 2023 financial year.

33 The office of a member of the Board of Directors shall be vacated if such member of the Board by notice in writing resigns office, or if such member of the Board has his membership terminated pursuant to the provisions and powers of Rule 41.

34 A member of the board of directors may, with the approval of the board, appoint any person to be an alternate or substitute member of the board of directors, and such appointment shall have effect, and such appointee whilst he holds office as an alternate shall be entitled to notice of meetings and to attend and vote thereat, but he shall ipso facto vacate office if and when the appointer vacates or ceases to hold office as a member of the board of directors or removes the appointee from office, and any appointment and removal shall be made in writing.

### **Proceedings of Board of Directors**

35 The Board of Directors may meet together or by audio-visual link for the dispatch of business, adjourn and otherwise regulate their meeting as they think fit, and may determine the quorum for the transaction of business. Until such quorum has been decided four members of the Board shall be a quorum.

36 At all meetings of the board the president, or failing him, vice-president, or failing them, the immediate past president, shall be entitled to take the chair. In the absence of the president, vice-president, and immediate past president the remaining members of the board shall elect a chairman.

37 Questions arising at any meeting of the board of directors shall be decided by a majority of votes, each member being present in person or by audio-visual link being entitled to one vote, and the chairman of the board shall have a casting vote in the event of equality of votes.

38 The board of directors shall cause minutes to be made in books provided for the purpose of all resolutions and proceedings of general meetings and of meetings of the board. Any such minutes, if signed by any person purporting to be the chairman of the meeting to which they relate or at which they are read, shall be received as conclusive evidence of the facts therein stated.

39 A resolution in writing signed by all the members of the board of directors shall be as valid and effectual in all respects as if it had been passed at a meeting of the board duly convened.

### **Powers of Board of Directors**

40 Without in any way restricting the generality of the powers conferred by these rules on the board of directors, the board may from time to time:

(a) Appoint and remove employees, and fix their salaries.

(b) Appoint any person or persons to hold in trust for the Association any property, and execute and do all such deeds and things as may be requisite in relation thereto.

(c) Institute, conduct, defend, compound or abandon legal proceedings or arbitrations by or against the Association or its officers or otherwise concerning the affairs of the Association.

(d) Determine who shall be entitled to sign or endorse on the Association's behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and other documents.

(e) Make, amend, vary and rescind bylaws not inconsistent with these rules as they may deem necessary, expedient or convenient for the proper conduct or management of the Association.

(f) Fill any casual vacancy occurring on the board provided however that if the office of president or vice-presidents shall become vacant the board shall proceed within one month to fill such vacancy.

- (g) Invest the funds of the Association in such a manner as it may in its absolute discretion think fit.
- (h) Appoint a person or persons to be the bonding authority of the Association and to fix the remuneration payable to such person or persons.
- (i) To accumulate reserves and to make suitable arrangements by way of insurance or otherwise with any insurance or other company or firm to ensure that the public are reasonably protected against the default of any member. Provided however that notwithstanding anything herein before contained the board of directors and any agent or delegate of the board are hereby expressly prohibited from pledging the credit of all or any of the members of the Association, and all claims, whether in respect of contracts or otherwise, shall be satisfied solely from the funds of the Association.
- (j) To impose a fine of up to \$1,000 or such greater sum as shall be approved by the Annual General Meeting from time to time on any member who fails to submit his annual accounts to the Bonding Authority within three months of his annual balance date. Such power shall be exercisable in addition to the disciplinary powers set out in rule 41 of these rules.
- (k) To impose a fine of up to \$1,000 or such greater sum as shall be approved by the Annual General Meeting from time to time on any member who fails to submit his application to Association for approval to have a branch travel location within one month of opening such branch travel location.
- (l) To impose a fine of up to \$1,000 or such greater sum as shall be approved by the Annual General Meeting from time to time on any member who fails to satisfactorily and timeously respond to written requests from the Bonding Authority for the provision of further information relevant to the Bonding requirements of such a member. In reaching its decision to impose a fine on any member under this provision and in determining the amount of the fine the Board shall take into account the facts relevant to the failure as presented to it by the Bonding Authority. The decision of the Board shall be final and binding on the member. The power to impose a fine under this provision shall be in addition to the power to impose a fine under Rule 40(j) hereof and in addition to the powers to terminate membership pursuant to Rule 11(b)(vii) hereof.
- (m) To impose a fine of up to \$1,000 or such greater sum as shall be approved by the annual general meeting from time to time on any member who fails to ensure that the necessary approvals of TAANZ are given to a transfer of shares in the company before any change of ownership is affected. The requirements in this regard are set out in paragraph 4 of the TAANZ Membership and Bonding Criteria. A failure on the part of a member to ensure that these requirements are adhered to will leave the member liable for the imposition of a fine. The power vested in the Board to impose a fine under this provision shall be in addition to the powers to terminate membership pursuant to Rule 11(b)(iv) hereof.
- (n) To impose a fine of up to \$1,000 or such greater sum as shall be approved by the annual general meeting from time to time on any member who fails to ensure that it meets the minimum criteria established by the Board for qualified selling staff and approved travel brokers. The power vested in the Board to impose a fine under this provision shall be in addition to the powers to terminate membership pursuant to Rule 11(b)(iv) hereof.

## **Disciplinary Powers**

### 41 (a) Powers of Association

If a member contravenes any of the provisions of the rules including the code of ethics, the Association has power to exercise disciplinary measures over that member in the manner set out in this rule 41.

(b) Complaints to be in writing

No complaint shall be considered unless it is made by the complainant in writing and delivered to the Chief Executive (or in the absence of a Chief Executive, the President) of the Association. On receipt of a complaint the Chief Executive (or in the absence of a Chief Executive a member of the Board nominated by the President) shall be entitled to investigate the complaint and clarify with the complainant the detail, extent, and nature of the complaint. Where this occurs the complainant may, if the complainant wishes, revise the initial letter of complaint whereupon the revised letter of complaint shall be the complaint referred to the investigation sub-committee pursuant to Rule 41(c) hereof. Any letter of complaint shall be a privileged document for the use of the Chief Executive and the board of directors, and no member shall be permitted to use it in any civil action. No complaint shall lapse under any circumstances or be considered withdrawn until such time as the investigation sub-committee has dismissed the complaint or preferred charges to the judicial committee.

(c) Investigation sub-committee

Upon receipt of any written complaint the Chief Executive (or the person nominated by the President in terms of Rule 41b hereof) shall refer the complaint to an investigation sub-committee to be appointed by the board of directors, which shall consist of not less than two members nor more than three members of the board and at the same time shall refer the substance of the complaint to the member concerned and request his written comments to be submitted within a reasonable specified time. The investigation sub-committee shall, upon receipt of the written comments or the expiration of the specified time (whichever is the sooner), consider the complaint and the member's written comments and decide whether the complaint warrants further investigation: should it so decide it shall frame charges of alleged breaches of specified rules or of the code of ethics and lay such charges against the member in writing with the Chief Executive (or in the absence of a Chief Executive, the President) : should the sub-committee decide no further investigation is warranted it shall report accordingly to the Chief Executive or to the President as relevant and to the member.

(d) Judicial sub-committee

Upon receipt by the Chief Executive (or the President if relevant) of any written charges by the investigation sub-committee, the Chief Executive shall refer the charges for hearing before a judicial sub-committee to be appointed by the board of directors and to consist of not less than two directors which shall not consist of any members who have been members of the investigation sub-committee. The judicial sub-committee shall convene a formal hearing and shall give the member concerned not less than fourteen days' notice of the date, place, and time of the hearing, together with full details of the charges laid. At the hearing, the member concerned may be heard in defence of the charges, either in person or in writing, and he shall be entitled to representation at the hearing by an advocate who shall be another member. Evidence from either side may be heard by the judicial sub-committee who may require any member or invite any other person to appear before it and who may appoint counsel to advise or assist it or the member. The whole of the evidence shall be recorded either in writing or otherwise, and the judicial sub-committee shall be entitled to receive evidence by way of affidavit, deposition or declaration even though such evidence may not be admissible in a court of law.

(e) Powers of judicial sub-committee

Should the judicial sub-committee decide that a contravention of the rules or code of ethics has been proved, it

shall have the power to impose all or any one or more of the following penalties in respect of each such contravention:

- (i) Caution the member;
- (ii) Reprimand the member;
- (iii) Impose a fine not exceeding \$20,000 on each breach and recover

any such fine by action at law or otherwise;

- (iv) Suspend the member for such a period as the sub-committee thinks fit;
- (v) Expel the member;
- (vi) Order the member to pay costs and expenses of the investigation or hearing or such

proportion thereof as it thinks fit.

(f) Right of appeal to board of directors

Every member who has had a penalty imposed against him by the judicial sub-committee may, within fourteen days of being notified of such a decision, appeal to the board of directors against the imposition of such penalty. Any such appeal shall be based entirely on the recorded evidence, without prejudice however to the right of the board, if in its uncontrolled discretion it so determines to receive new or further evidence and the appeal shall be held at a place and at a time designated by the board. At the time of making such appeal, the appellant shall lodge with the Association a fee which may at the discretion of the board, whether or not the appeal proceeds, be forfeited or be used to defray any costs of preparation for a hearing of the appeal.

(g) Power of board of directors upon appeal

- (i) On appeal, the board may either:
  - (a) Quash the penalty, or
  - (b) Confirm the penalty already imposed, or
  - (c) Direct the judicial sub-committee to impose such a penalty as the board thinks fit

(ii) In any event the board may award the costs and expenses of the investigation hearing and appeal or any portion thereof in favour of or against the appellant member as it may think fit.

(h) Right to publish penalties

The judicial sub-committee shall be entitled to publish in the TAANZ News and/or TAANZ Directory and Information Guide, and/or TAANZ Annual Report, notice of the expulsion or suspension of any member who shall be expelled or suspended or subjected to any other penalty pursuant to the provisions of this rule, containing the name and address of such member, such particulars as the board may think proper of the offence for which the member was expelled or suspended or otherwise penalised. It shall also be the duty of the board to publish in a newspaper circulating in the district in which the member carries on business, notice of the expulsion or suspension of any member who may be expelled or suspended. The member concerned shall have no right of action against the board by reason of such publication.

(i) Report of hearing to be filed

Not less than fourteen days nor more than twenty-eight days after reaching a decision under this rule the judicial sub-committee or the board shall deliver to the Chief Executive, (or if relevant, to the President) a full report of the charges, the hearing and the penalty imposed upon any member. The Association shall keep a register of all disciplinary actions.

### **Indemnity**

42 Every member of the board of directors, and any officer or servant of the Association shall be indemnified by the Association against, and it shall be the duty of the board of directors, out of the funds of the Association, to pay all costs, losses and expenses which any such member of the board of directors, officer or servant may incur or become liable to by reason of any contract entered into, or act or thing done by him as such member of the board of directors, officer or servant, in any way in the discharge of his duties under authority of the Association.

### **Accounts**

43 The board of directors shall cause accounts to be kept of the assets and liabilities, income and expenditure of the Association, and the books of the account shall be kept at such places as the board of directors shall think fit.

44 The board of directors shall cause to be prepared and laid before every annual general meeting, a statement of the financial affairs of the Association and of its income and expenditure for the preceding financial year and a report thereon. Such account shall be made up as at the end of the Association's financial year which shall be the 31st of May.

45 Once at least in every year, the accounts of the Association shall be examined and the correctness of the accounts, income and expenditure shall be ascertained by an auditor, who shall certify to the correctness thereof and may make such report to the members thereon as he thinks proper.

46 The auditor shall be appointed by the annual general meeting.

47 All monies received by the Association shall be paid to the bankers of the Association. Such bankers shall be appointed by the board of directors.

### **Borrowing Powers**

48 The Board of directors may from time to time borrow for the purposes of the Association from any persons, firms or corporations any sum or sums of money without security or upon the security of all or any of the Association's property (real or personal) and to execute legal or equitable mortgages or charges, or by the issue of bonds or debentures or debenture stock; and any such bonds or debentures or debenture stock may be issued on terms that the amount to be secured may be paid up by instalments, and may be paid off by periodical or other drawings, and generally upon such terms and conditions as to rate of interest or otherwise as the board of directors may think fit; and the board may also borrow money from the Association's bankers on overdraft or otherwise, with or without security.

### **Limitation on Personal Benefit to members**

49 Any income, benefit or advantage received by the Association shall be applied in and towards the proper management of the Association with a view to achieving one or more of the objects of the Association.

No member of the Association or any person associated with a member shall participate in or materially influence any decision made by the Association in respect of the payment to or on behalf of that member or associated person of any income benefit or advantage whatsoever. Any income paid to a member or associated person shall be reasonable and relate to that which would be paid in an arm's-length transaction.

### **The Seal**

50 The Board of Directors shall provide for the safe custody of the Seal of the Association which shall be used only by and with the authority of the Board of Directors, and every instrument to which the Seal is affixed shall be signed by the Chief Executive or a Director of the Association and shall be countersigned by a second Director of the Association or by some other person appointed by the Directors for this purpose.

### **Amendment of Rules**

51 These Rules may be altered or added to or rescinded in whole or in part by a resolution passed by a three-fourths majority of votes cast at a general meeting of the Association, provided that notice of intention to propose any such alteration, addition or rescission shall have been given in the notice convening the meeting. This rule shall apply where the Board directs a postal vote pursuant to Rule 27 (c) hereof. No addition to or alteration of the not for profit aims, personal benefit rule or the winding up rule shall be approved without referring the same to the Inland Revenue Department. The Inland Revenue Department is to be given notice of any change, addition or alteration to the following rules:

- i) The rules which specify the not for profit aims of the Association,
- ii) The rules which deal with personal benefit to members;
- iii) The rules which deal with the winding up of the Association;
- iv) This rule relating to the Amendment of Rules.

### **Notices**

52 A notice may be served by the Association upon any member either personally or by posting it in a prepaid letter addressed to such a member at his registered address.

53 Any notice if served by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted, and in proving such service it shall be sufficient to provide that the notice was properly addressed and posted.

54 No member who shall have omitted to give his address for registration shall be entitled to receive any notice from the Association.

### **Dissolution**

55 The Association in general meeting may determine to dissolve the Association by resolution passed by

a majority of members present at a meeting of the Association. The notice convening the meeting shall set out the proposal to dissolve the Association. The resolution to dissolve the Association shall be confirmed at a subsequent general meeting duly convened for that purpose and held not earlier than thirty days after the date on which the resolution so to be confirmed was passed. Following such meeting the Association shall be deemed to be dissolved. If upon the dissolution of the Association there remains after the satisfaction of all its debts and liabilities, any property, the same shall be distributed among those persons, bodies or institutions whom the board of directors as constituted immediately prior to the passing of the said resolution shall direct but in no event shall any of the said property be distributed in any manner or form amongst any person or persons who were members of the Association at the date upon which the said resolution for dissolution was passed.

### **Interpretation**

56 In these rules, unless the context shall otherwise require:

“Member” means a member qualified and admitted under Rule 4,

“month” means calendar month,

“allied member” means a person admitted to membership under Rule 8.

Words importing the singular include the plural, and vice versa; words importing the masculine gender include the feminine gender; words importing persons include corporations.