

RULES OF THE ELECTROTECHNOLOGY

INDUSTRY TRAINING ORGANISATION

INCORPORATED

(THESE RULES DATED JULY 2010 RESCIND ALL PREVIOUS RULES)

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1. Name

1.1 The name of the society is the "Electrotechnology Industry Training Organisation (Incorporated)". The shortened name is ETITO.

2. Objects

2.1 The Objects for which the ETITO is established within New Zealand are:

- (a) To set skill standards and qualifications after comprehensive consultation with industry for those industries for which ETITO has gazetted coverage.
- (b) To perform a leadership role by identifying the current and future skill needs of those industries for which ETITO has gazetted coverage and to promote the delivery of training to meet those needs.
- (c) To ensure the effectiveness of training conducted for and by the industry related to the National Qualification Framework.
- (d) To receive and act on advice and guidance from industry sector advisory groups established for that purpose.
- (e) To be responsive to the changing environment within which ETITO works.
- (f) To ensure the ETITO's own long term viability through effective internal management, operational and financial structures.
- (g) To do all such things as are incidental or conducive to the attainment of all or any of the aforesaid objects.

3. Membership

3.1 There shall be three (3) categories of membership.

- (a) Association Membership  
Association membership shall be available to those (i) national industry associations (ii) industrial unions of workers/employee organisations and (iii) professional bodies which represent in whole or in part the interests of those industries for which ETITO has gazetted coverage. Association Members are Voting members.
- (b) Corporate Membership  
Corporate membership shall be available to those limited liability companies, partnerships, sole traders, and training providers (excluding schools) who have any interest whatsoever in the industries for which ETITO has gazetted coverage. This membership category does not have voting rights.

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(c) Subscribing Membership

Subscribing Membership shall be available to associations, individuals and schools who have an interest in training in the industries for which ETITO has gazetted coverage. This membership category does not have voting rights.

#### 4. Application for and Election to Membership

- 4.1 Application for membership of the ETITO shall be made in writing to the Secretary of the ETITO. The application shall be signed by the applicant.
- 4.2 Election to membership shall be decided by the Board of Directors after consultation with Voting Members. The Board is empowered to decline any application at its sole discretion.
- 4.3 Any applicant declined under Clause 4.2 may by notice in writing to ETITO received no later than 28 days after the decision of the Board, request a review of the Board's decision at the next Annual General Meeting of ETITO. The decision of the Annual General Meeting shall be final and is not obliged to give any reason for its decision.

#### 5. Subscriptions

- 5.1 The annual subscription payable by Association Members, Corporate Members and Subscribing Members shall be set by the Board. In setting these subscription rates, the Board shall take into account current legislative requirements. The annual subscriptions set by the Board shall be subject to approval by ETITO at an Annual or Special General Meeting.
- 5.2 All annual subscriptions shall be due and payable in advance on the 1st day of January in every year.
- 5.3 Members whose subscription is paid up to 31 December in any particular year shall be deemed financial until 31 March of the next year.

#### 6. Termination of Membership

- 6.1 Any member may, at any time, resign from ETITO by giving notice in writing to that effect to the Secretary, provided that such Member shall be liable for and required to pay any subscription or other payment which may be due from the Member and is unpaid at the time of resignation.
- 6.2 The membership of any Member who has failed to pay their annual subscription by 31 March of the year in which it fell due may be terminated by the Board, provided that such Member shall be liable for and be required to pay any payment which may be due from the Member and is unpaid at the time of termination.

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- 6.3 The Board may terminate the membership of any Member who, in its opinion, has failed to observe these Rules or any rule, regulation or by-law made pursuant to these Rules, or whose conduct in any respect has been derogatory to the character or prejudicial to the interests of ETITO.
- 6.4 If a Member has had their membership terminated in accordance with the provision of clause 6.3 above, then that Member may within 14 days of the date of the termination of its membership, require the Secretary to call a Special General Meeting to review termination of its membership. The decision of the Voting Members at the Special General Meeting on this matter shall be final.

## 7. Meetings of Members

- 7.1 Annual General Meeting. An Annual General Meeting of the ETITO shall be held no later than 30 June each year at such time and place as may be determined by the Board. The Secretary shall give each member at least forty two (42) days notice of the meeting in writing.
- 7.2 Order of Business. The following shall be the order of business at each Annual General Meeting unless the meeting shall otherwise decide:
- (a) Presentation of the Annual Report and Financial Statement for the previous year.
  - (b) Appointment of the Auditor.
  - (c) Election of the Board of Directors.
  - (d) Remits and other Special Business of which prior advice has been given to Voting Members and Directors at least twenty eight (28) days before the meeting.
  - (e) General business brought forward with the consent of the meeting on a show of hands. No votes are to be taken on any matter of General Business unless details have been circulated to Voting Members at least twenty eight (28) days before the meeting, or the Voting Members present by majority vote to allow a vote on such matter to be taken.
- 7.3 Special General Meetings. Special General Meetings of ETITO may be called:
- (a) at the request of the Chairperson or, in his/her absence, the Deputy Chairperson of the Board; or
  - (b) upon the written request of 2 Directors of the Board: or
  - (c) upon the written request of 3 Association Members of ETITO.

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- 7.4 Notices. The Secretary shall give at least twenty eight (28) days written notice of the Special General meeting to each Voting Member and Director of ETITO within seven (7) days of receipt of the request. Such notice of meeting must include details of the business to be conducted.
- 7.5 Any notice required by these Rules shall be in writing and given to Voting Members and Directors either personally, by sending it by post to the Voting Member's registered address, by facsimile sent to the facsimile number of the Voting Member as notified by the Voting Member to ETITO, or by e-mail to the e-mail address of the Voting Member as notified to ETITO by the Voting Member. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting on the day after the day of its posting, and in any other case at the time at which the letter would be delivered in the ordinary course of post. Where notice is sent by e-mail, service of the notice shall be deemed to have been effected on the day after the day of sending the e-mail transmission.
- 7.6 Chairperson. The Chairperson of any Annual General Meeting or Special General Meeting shall be either the Chairperson of the Board or such other person as may be appointed by resolution of the meeting.
- 7.7 Quorum. Any Annual General Meeting or Special General Meeting may be held by any number of members of ETITO who constitute a quorum, being assembled together at the place, date and time appointed for the meeting.
- 7.8 A quorum for the transaction of business at an Annual or Special General Meeting shall be a number of Members of ETITO present or their proxies holding not less than 66% of the total votes eligible to be cast on the business to be transacted by the meeting.
- 7.9 Voting. Voting at all Annual and Special General Meetings shall be by ballot, provided that not less than one quarter of Voting Members present may call for a secret ballot on any matter before the meeting. Proxy voting shall be allowed at any ballot. The number of votes each Voting Member will be eligible to cast in respect of any ballot will be proportional to the percentage of the subscriptions that each Voting Member has paid in relation to the total subscriptions received by ETITO in the year of the holding of the ballot. A simple majority of votes cast will be sufficient to pass any motion proposed at an Annual General Meeting or Special General Meeting. The Chairperson shall have a casting vote in the event of an equality of votes.

## 8. Board of Directors

- 8.1 The affairs of the business administration and management of ETITO shall be vested in a board of directors ("the Board") who shall be elected in accordance with the provisions of Rule 9 below.

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9. Election of Directors

- 9.1 The Board will consist of a minimum of six (6) and up to eight (8) elected directors of the ETITO as elected by the Annual General Meeting.
- 9.2 The Secretary will call for nominations from Voting Members for Directors of ETITO on or before the first day of May in each year and the period for nominations shall remain open for 14 days ("the nomination period"). All nominations must be in writing and be received by the Secretary before the end of the nomination period.
- 9.3 Within 7 days of the end of the nomination period the Secretary will advise all Voting Members of the nominees and details relevant to their nomination for director of ETITO.
- 9.4 There shall be (subject to a nomination being received) one director on the Board who is a nomination from an Association Member or Members which is or are industrial unions of workers/employee organisations under Rule 3.1 (a). If through early retirement, there is no director on the Board who is elected under this clause, the Board shall determine in their absolute discretion whether or not to call a Special General Meeting to elect a replacement director.
- 9.5 At each annual election of Directors, the two Directors who have been longest in office shall retire. As between two or more Directors who have been in office an equal length of time, the Director or Directors to retire shall, in default of agreement between them, be determined by the Board. The length of time a Director has been in office shall be computed from his or her last election.
- 9.6 Directors retiring from the Board are eligible for re-election.
- 9.7 If, through any cause, the number of Directors on the Board falls below 6 or if the Annual General Meeting elects fewer than 6 directors, the Board shall with urgency call for nominations for further director(s) and give notice of a Special General Meeting to elect further director(s). The Board shall still have power to act until further director(s) are appointed under this clause. The term of any director appointed under this clause shall commence on his or her election.
- 9.8 (a) When the number of nominations exceeds the vacancies the election of directors will be by confidential ballot. The scrutineer will be the Secretary to the Board and voting will be in accordance with clause 7.9.  
(b) When the number of nominations is not greater than the vacancies the nominees will be declared elected without a ballot.

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10. Co-Option of Directors

- 10.1 The Board of elected directors may co-opt additional directors for a specific purpose and for a specific period not exceeding 12 months.
- 10.2 Notwithstanding the provisions of clause 10.1 any such co-opted director may be removed at any time by the Board of elected directors by giving 30 days notice in writing to the director.
- 10.3 Any co-opted director may resign at any time by giving notice in writing to the Board.
- 10.4 A co-opted director cannot hold the position of Chair or Deputy Chair of the Board but otherwise shall have full voting rights.
- 10.5 Co-opted directors must comply with all Board policies, procedures and governance practices.

11. Eligibility of Directors

- 11.1 No person may hold office as a director of ETITO if that person:
  - (a) is not domiciled in New Zealand;
  - (b) is under 18 years of age;
  - (c) is an undischarged bankrupt;
  - (d) is convicted of any crime involving dishonesty as defined in Section 2 subsection 1 of the Crimes Act 1961;
  - (e) is subject to a property order made under Section 30 or Section 31 of the Protection of Personal and Property Rights Act 1988.
  - (f) is a person who is prohibited from being a director or promoter of or being concerned or taking part in the management of a company under section 382 or section 383 or section 385 of the Companies Act 1993.

12. Obligations of Directors

- 12.1 The directors shall perform their obligations to a professional and competent corporate standard.
- 12.2 Every Director who receives information for the purposes of carrying out their function under these Rules must take reasonable steps to protect the confidentiality of that information and may be required by the Board to sign an

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agreement to that effect.

12.3 If, in relation to any motion to be voted on by the Board, any director is a party to, or will or may derive a material financial benefit from any financial transaction that would follow from the motion, that director is deemed to have a material interest in the transaction and must declare that interest to the other directors on the Board prior to any vote on the motion. The non-interested directors must then decide in their absolute discretion whether or not to exclude the interested director from the vote on the motion in which he or she is interested. Any declaration of interest must be recorded in the minutes of any meeting.

12.4 The Board shall upon receipt of any reasonable request from a Voting Member provide access to the records of the Board. Access to records that are commercially, or in any other way, sensitive will be provided in the sole discretion of the Board.

### 13. Dismissal of Directors

13.1 If the Board decides in its absolute discretion that the conduct of any particular director:

- (a) has been derogatory to the character of ETITO or
- (b) has been prejudicial to the interests of ETITO or
- (c) fails to meet reasonable standards of attendance at meetings, participation in Board activities, engagement with Board work, or
- (d) has resulted in the loss of the Board's confidence in the ability of the director to perform their Board duties, then the remaining directors may by way of unanimous vote remove that director from the Board.

13.2 If an elected director has been removed from the Board in accordance with the provisions of Clause 13.1 then the director may within 14 days of the date of his or her removal, require the Secretary to call a Special General Meeting to review the director's removal from the Board. The decision of the Voting Members at the Special General Meeting on this matter shall be final.

### 14. Directors' Fees

14.1 ETITO may pay directors' fees including co-opted directors provided only that:

(a) The rate of remuneration shall have been determined by a person independent of the Board and Association Members and;

(b) Director fees are benchmarked against comparable entities; and;

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(c) Director fee benchmarking data is secured from recognised and independent sources for director remuneration; and

(d) The exemptions from Income Tax in Section CB 4(1) (c) and (e) of the Income Tax Act 1994 are not infringed; and

(e) The director's fees shall have been approved by Voting Members at an Annual or Special General Meeting.

#### 15. Meetings of the Board

- 15.1 At the first Board meeting following the Annual General Meeting, the Board will appoint one director to be chairperson of the Board and one director to be deputy chairperson of the Board.
- 15.2 Any meeting of the Board may be held either:
- (a) By any number of directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
  - (b) By means of audio, or audio and visual communication by which all directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.
- 15.3 The Board shall meet as and when required to carry out the business of ETITO. Not less than ten (10) days notice in writing of each meeting of the Board shall be given by the Secretary to each Board member, including on the notice of meeting an indication of the business to be tabled before such meeting.
- 15.4 Meetings of the Board may be called by:
- (a) the Chairperson or, in his or her absence, by the Deputy Chairperson; or
  - (b) by the Chief Executive when requested so to do by two (2) Directors.
- 15.5 Any four (4) elected Directors including the Chairperson of the Board or Deputy Chairperson of the Board shall constitute a quorum of the Board for the transaction of business.
- 15.6 At all meetings of the Board, each Director shall have one vote. The Chairperson of the Board (or in his or her absence, the Deputy Chairperson) shall have a casting vote in the event of an equality of votes.
- 15.7 The Board shall take such steps as are necessary to further the objects of the ETITO and shall do all such other things as are provided for under the Rules.

#### 16. Committees of the Board

- 16.1 The Board shall have the power to appoint Committees consisting of directors for such purposes as it shall see fit and to delegate to such Committees such

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power and authority as the Board shall deem advisable.

17. Secretary to the Board

- 17.1 The Board will appoint a person who is not a director to be Secretary of ETITO. The Secretary may be the same person as the Chief Executive.
- 17.2 The Secretary shall keep a register of all members at the registered office of ETITO. Members shall notify the secretary of any change of name or change of address of the member. The register shall be open to inspection during normal office hours by any member of ETITO.
- 17.3 The Secretary shall give notice of meetings, keep minutes of meetings and keep all records including financial records of ETITO.

18. The Chief Executive

- 18.1 The Board will appoint a person to be the Chief Executive of ETITO. The Chief Executive will be directly responsible to and under the control of the Board for the day to day management of ETITO and shall have such duties and responsibilities as set by the Board. The Chief Executive shall not be allowed to vote in any forum.

19. Financial Responsibility

- 19.1 The Board shall ensure the prudent and ethical management of ETITO's financial affairs and in doing so shall exercise the care, diligence and skill of a prudent person of business.
- 19.2 All withdrawals of funds from the ETITO's bank accounts shall be on cheques or orders signed by any two persons duly delegated by the Board of ETITO.
- 19.3 The Chief Executive shall submit on a regular basis to the Board of Directors for its approval financial statements as determined by the Board.
- 19.4 The Board may from time to time authorise the investment of funds of the ETITO, provided that the Board exercises at all times the care, diligence, and skill that a prudent person of business would exercise in managing the affairs of others, and has regard to the following matters so far as they are appropriate to the circumstances of the funds of ETITO:
- (a) The desirability of diversifying ETITO's investments;
  - (b) The nature of existing investments and other property;

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- (c) The need to maintain the real value of the capital or income of ETITO;
  - (d) The risk of capital loss or depreciation;
  - (e) The potential for capital appreciation;
  - (f) The likely income return;
  - (g) The length of the term of the proposed investment;
  - (h) The marketability of the proposed investment during, and on the determination of, the term of the proposed investment;
  - (h) The aggregate value of the funds of ETITO;
  - (i) The effect of the proposed investment in relation to the tax liability of ETITO;
  - (k) The likelihood of inflation affecting the value of the proposed investment or other ETITO property
- 19.5 The Board may from time to time for the purposes of the ETITO purchase, take on lease or in exchange, hire and otherwise acquire any real or personal property and to sell, exchange, let or bail or lease with or without option of purchase, or any manner howsoever dispose of any such property.
- 19.6 No member, director or person associated with a member of the ETITO shall derive any income, benefit or advantage from the ETITO where they can materially influence the payment of the income, benefit or advantage except where that income, benefit or advantage is derived from:
- (a) professional services to the ETITO rendered in the course of business charged at no greater rate than current market rates; or
  - (b) interest on money lent at no greater rate than current market rates.
- 19.7 The Board may from time to time for the purposes of ETITO raise or borrow such sum or sums of money as it may think fit, necessary or expedient, with or without security therefore, and may secure the payment of any such sum by mortgage or mortgages or sub-mortgages of any property real or personal belonging to ETITO or by bonds, debentures, mortgage-debentures or other securities or by bills of exchange, promissory notes or other negotiable instruments and such mortgages or other securities may contain such covenants, powers, conditions, agreements and obligations as the Board may think fit, provided that payment by way of interest on monies borrowed from any member or associated person (as that term is defined in part YB of the

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Income Tax Act 1994 or any statutory amendment or replacement of that part) shall not exceed commercial interest rates having regard to the nature and term of the loan.

## 20. Common Seal

- 20.1 The ETITO shall have a Common Seal which shall only be used by the authority of the Board. Every instrument to which the Seal is affixed shall be signed by one Director and shall be countersigned by the Chief Executive or by some other person appointed by the Board.

## 21. Amendments

- 21.1 These rules or any part of them may be altered, added to, or rescinded at any Annual or Special General Meeting of the ETITO provided that any alteration, addition or rescission of the Rules shall be valid if and only if it does not affect or detract from the exclusively charitable nature of the society.
- 21.2 All proposed changes to these Rules shall be set forth in the written notice of the meeting. Each change must be approved by a vote of not less than 66% of the total votes of the Voting Members or their proxies eligible to vote at a Special General Meeting, or by written consent provided that all written votes shall be received by the Secretary at least 48 hours before the meeting is due.

## 22. Dissolution

- 22.1 For the dissolution of ETITO the society shall be wound up in accordance with Section 24 of the Incorporated Societies Act 1908.
- 22.2 Upon such dissolution, the surplus assets remaining after payment of all costs, debts and liabilities of ETITO shall be applied to such exclusively charitable organisations in New Zealand as the Association Members by a 66% majority at a Special General Meeting may decide and whose objects are similar to those of the ETITO. If the Association Members are unable to make a decision the assets shall be disposed of in accordance with the directions of the Registrar of Incorporated Societies.

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ALTERATION TO THE RULES OF THE  
ELECTROTECHNOLOGY INDUSTRY TRAINING ORGANISATION INCORPORATED

DATED JULY 2010

Signed on behalf of the members of ETITO Inc. By

BRIAN JAMES NEWEN  
Name:

[Signature]  
Signature

27-7-2010

Title: Director

Dated this                      day of                      2010

Signed on behalf of the members of ETITO Inc. By

DAVID PETER GRANT  
Name:

[Signature]  
Signature

27-7-2010

Title: Director

Dated this                      day of                      2010

Signed on behalf of the members of ETITO Inc. By

MURRAY MCALESTER HOBSON  
Name:

[Signature]  
Signature

27-7-2010

Title: Director

Dated this                      day of                      2010