

THE INCORPORATED SOCIETIES ACT, 1908

RULES OF THE WAIHEKE WINEGROWERS' ASSOCIATION (INCORPORATED)

Amended 1998 and 2005

NAME

- 1 The name of the association shall be "The Waiheke Winegrowers' Association (Incorporated)"

INTERPRETATION

- 2 Throughout these Rules, unless inconsistent with the context, "the Association" shall mean The Waiheke Winegrowers' Association (Incorporated.)

"the Committee" shall mean the Committee elected pursuant to these Rules.

"the Act" shall mean the Incorporated Societies Act 1908.

"The Waiheke Region" shall mean the area known as Waiheke Island and being that area delineated on the Plan in red as held by the Secretary of the Association, and being that attached map contained in Schedule 1 hereof.

REGISTERED OFFICE

- 3 The registered office of the Association shall be at such place or places as the Committee shall from time to time determine.

GUIDING PRINCIPLE

- 4.1 To promote and enhance Waiheke Island as a top wine-growing region in New Zealand through best viticulture standards by:-

(a) practicing of sustainable viticulture and provision of traceability through an approved form for the record keeping of chemical usage by all members as determined by the Committee from time to time.

(b) promoting Waiheke Island as a fine-wine growing region

(c) living in harmony with our neighbours

(d) creating local employment opportunities

(e) acquiring and disseminating knowledge

(f) enjoying together the fruits of our labours

4.2 Winemaking Integrity

(a) That all members will agree and pledge, that under no circumstances nor at any time will they nor their associates or staff members, blend wine made from grapes grown on Waiheke Island with wine or any other juice or flavouring from elsewhere unless labelled accordingly, e.g. “Waiheke/Hawkes Bay Merlot.”

(b) Members undertake to assist in achieving this principle, (a) above, by providing Waiheke Island grape products, e.g. fermented juice, for barrel top-up and the like.

(c) Any label or promotional material stating only “Waiheke grown” (or any similar words giving the same meaning) shall mean 100% Waiheke Island grown grapes have been used to make the wine.

(d) Each member of the Association having complied with (a) and (c) above and with clause 4.1.(a) will obtain an Export Eligibility Statement (or similar alternative proof of quality analysis if so determined by the Committee) for all bottled wine made and labeled as being from 100% Waiheke Island grown grapes.

(e) Each member agrees to make all winery records available to an auditor (independent of the Association) appointed by the Association under any circumstances where the integrity of the practices of the winery are brought into question, provided that in the first instance the Committee of the Association agree that the evidence is such that an investigation is warranted. The findings of any such audit to be kept strictly confidential unless the Association warrants a public statement is necessary. Costs incurred by any such audit may be borne by the member being investigated or by the Association as the Committee sees fit.

The Committee may decide that the evidence proven in a court of law or the instigation of an investigation by a government regulatory agency be sufficient and that no investigation of its own would be necessary.

- (f) That compliance with clauses 4.1.(a) and 4.2 (a-e) above will be a condition of membership of the Association and that each member shall be entitled to use on labels and any other promotional material relating to bottled wine made from 100% Waiheke Island grapes a logo or similar symbol and/or wording authorized for such use by the Committee and which signifies membership of this Association and/or that the wine is made from 100% Waiheke Island grown grapes.

PERMITTED ACTIVITIES

- 5 The permitted activities of the Association shall be:
- (a) to promote, foster, protect, encourage and set the best practices for the production, processing, distribution, marketing and responsible consumption of wines made and/or grown in the Waiheke Island region.
 - (b) to accumulate and disseminate information pertaining to the production of wine and to carry out, institute and foster research in relation to the Waiheke Island region.
 - (c) to produce healthy grapes by using sustainable viticulture.
 - (d) to actively promote and market the Waiheke region as a certified wine-producing origin and raise and allocate funds for this purpose.
 - (e) to foster and promote good relations between all grape growers and wine makers within the Waiheke region and to share in the knowledge and expertise pertaining to the wine industry as accumulated within the membership of the Association for the benefit of all members.
 - (f) to actively promote and foster various support services for the wine growing industry on Waiheke Island.
 - (g) to promote and conduct seminars, field days, hospitality and specialist courses for the benefit of members and associated persons within the wine-growing industry and to establish award structures, scholarships, bursaries and other such grants as considered appropriate from time to time.
 - (h) to work in conjunction with or to affiliate, liaise, consult with every other society, Government body or organisation as the Committee shall from time to time determine.

- (i) to make application for and hold any licenses or grants pursuant to the Sale of Liquor Act 1989 that may from time to time become necessary in pursuing permitted activities.
- (j) to purchase, take on lease or otherwise acquire land, buildings and premises; to erect, maintain, alter or repair any buildings or erections or other property; to purchase, hire or otherwise acquire chattels of all descriptions; to arrange, let, sell, exchange, dispose of or otherwise deal with any property of the Association.
- (k) to borrow, raise or secure payment of money by any means, in particular by the issue of charges, bonds, obligations, guarantees, mortgages or other securities, charged upon all or any of the property of the Association, and to draw, make, accept, endorse and discount, execute, issue and negotiate, cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments and to execute guarantees.
- (l) to enter into any partnership or arrangement for sharing of profits, union of interest, co-operation, joint venture, reciprocal concession or otherwise with any person, firm or company carrying on or being engaged in or about to carry on or engage in any business or transaction which the Association is authorised to carry on and to engage in any business or transaction capable of being conducted either directly or indirectly to the benefit of the Association or its members and to take or otherwise acquire shares and securities in or from any such person, firm or company, and to sell, hold, re-issue with or without guarantee or otherwise deal with the same.
- (m) to invest, lend and deal with the moneys of the Association not immediately required for carrying on its business upon such securities and in such manner as from time to time may be determined upon provided that any dealings with monies greater than \$5,000.00 shall be approved by three-quarters of members vote at an Annual General Meeting, Special Meeting or Special General Meeting.
- (n) to obtain public liability insurance of not less than one quarter of a million dollars.
- (o) to raise money by subscription and to grant any rights and privileges to subscribers.
- (p) to do all such other lawful things as are incidental or conducive to the abovementioned guiding principles.

MEMBERSHIP AND SUBSCRIBERS

- 6 (a) the Association shall consist of Members.

- (b) any person, company or other incorporated body, having engaged in the active commercial cultivation of grapes on Waiheke Island, may apply for membership in the form prescribed by the Committee and shall be accepted as a member if approved by a resolution of the Committee. The applicant will be required to make an active commitment towards sustainable viticulture before the Committee will give consideration to his application and that the discretion of the Committee in such matters shall be absolute.
- (c) every member shall pay such annual subscription as shall be fixed by the Association at its Annual General Meeting which such subscription shall be due and payable from the date of the Annual General Meeting. If the subscription remains unpaid 31 days after the date of the Annual General Meeting, then the subscription set at the Annual General Meeting shall increase by 25% and will become the amount due and payable.
- (d) where a subscription shall be unpaid at the expiration of three (3) months from due date, the member shall not be entitled to the privileges of membership.
- (e) a register of members shall be maintained by the Secretary of the Association in accordance with the provisions of the Incorporated Societies Act 1908.

CESSATION OF MEMBERSHIP

- 7 (a) Any member may resign from the Association by giving written notice of such intention to the Secretary and every such notice unless otherwise expressed and agreed shall take effect after the expiration of seven days after receipt by the Secretary of the same.
- (b) Any member who commits an unacceptable, gross and/or negligent infringement of the Guiding Principles shall, at any Annual General Meeting or Special General Meeting by a three-quarters majority of those present and voting, be immediately expelled from membership of the Association. That member shall have the opportunity at that Annual General or Special General Meeting to present evidence regarding their unacceptable practice. That member will be able to reapply for membership of the Association not before two (2) years following the date of cessation of membership.
- (c) Any member who dies or becomes bankrupt or which, in the case of a body whether corporate or unincorporated goes out of existence or enters into liquidation or in respect of which a receiver is appointed, shall cease to be a member of the Association.
- (d) The Association may at any Annual General or Special General Meeting by a three-quarter majority of those present and voting, expel from membership any member who has failed to comply with the Rules of the Association or who has

been guilty of conduct which the Association considers to be detrimental to the interests of the Association or repugnant to its Guiding Principle or Permitted Activities.

- (e) The termination of membership for any reason whatsoever shall not prejudice the right of the Association to recover any fees or dues in arrears and unpaid.
- (f) On cessation of membership, for whatever reason, the member will immediately lose any right to identify with or use the name of the Association. All material bearing the Association name, logo or other similar reference shall be removed at the sole cost of the member, from all labels, promotional material etc.

COMMITTEE

- 8 (a) The management and control of the affairs of the Association and the full control of all income, expenditure, assets and property of the Association shall be vested in the Committee which may exercise all such powers of the Association as are not prohibited by the Incorporated Societies Act 1908 or by these Rules required to be exercised by the Association in General Meeting but such powers shall be exercised by the Committee subject to these Rules, subject to the provisions of the Act and subject to such by-laws not being inconsistent with these Rules or the provisions of the Act, as the Association may in General Meeting prescribe.
- (b) Subject to clauses 9 & 10, the committee shall comprise the following officers:
 - President
 - A Vice-President
 - Secretary (when an elected officer.)
 - Treasurer (when an elected officer.)
 - Three Committee members or such greater or lesser number as the Annual General Meeting may from time to time prescribe.
- (c) The Committee shall be elected at the Annual General Meeting of the Association.
- (d) The Officers of the Association shall enter into office at the conclusion of the Annual General Meeting at which they are appointed and shall hold office until the conclusion of the next ensuing Annual General Meeting or until their appointment is otherwise terminated in accordance with these Rules.
- (e) Nominations for the officers comprising the Committee shall be made orally at the Annual General Meeting by a member of the Association.

- (f) Five members of the Committee shall comprise a quorum for meetings of the Committee.
- (g) The Committee shall meet at such times and places as it shall determine and shall regulate its own proceedings. It shall ensure that minutes are entered in the books of the Association relating to all appointments to office, resolutions, proceedings and transactions of the Association and Committee and any such minutes when signed by the Chairperson of the next meetings shall be prima facie a true and correct record of all that transpired at that meeting.
- (h) At all meetings of the Committee each vineyard or vineyard owner (or proxy) whichever is the lesser number, shall be entitled to one vote and the Chairperson for the time being of that meeting shall have a casting as well as a deliberate vote.
- (i) The Committee shall have power to appoint subcommittees comprising members of the committee and/or such other persons whether members or not as the Committee shall decide. The Committee shall have power to co-opt any member to serve on the Committee either for a specific purpose or for a limited period or to act generally as a member of the Committee until the next annual meeting.

SECRETARY

- 9 (a) A Secretary shall either be nominated and elected by the Association in the manner provided in these Rules for the election of officers or shall be appointed by the Committee following the Annual General Meeting. A Committee appointed secretary is not required to be an Association member.
- (b) The Secretary shall perform all duties incidental to his/her office and in particular shall:
 - (1) Attend all meetings of the Association and of the Committee and keep minutes of the proceedings thereof.
 - (2) Deal with and answer such correspondence as he/she shall be directed so to do by the Committee.
 - (3) Maintain and preserve all the records of the Association and all documents, papers and books relating to the affairs of the Association and such other duties as the Committee may from time to time determine.
- (c) Where the Secretary is appointed the Secretary shall not be a Committee member.

TREASURER

- 10 (a) A Treasurer shall either be nominated and elected by the Association in the manner provided in these Rules for the election of officers or shall be appointed by the Committee following the Annual General Meeting. A Committee appointed Treasurer is not required to be an Association member.
- (b) The Treasurer shall be responsible for keeping such books of accounts as may be necessary to constitute a record of the financial position of the Association and shall present an annual statement of accounts in the form of an Income and Expenditure Account and Balance Sheet.
- (c) Notwithstanding the provisions of Clauses 9 and 10 (a) and (b) hereof, in lieu of electing a Treasurer the meeting at which the election of officers is held may resolve to appoint a Secretary-Treasurer to perform the duties of a Secretary and Treasurer.
- (d) Where the Treasurer is appointed, the Treasurer shall not be a Committee member.
- (e) Notwithstanding the provisions of clause 9 and 10 (a), where the position of Secretary and Treasurer are to be appointed by the Committee, then the Committee may resolve to appoint a Secretary-Treasurer to perform the duties of Secretary and Treasurer.

AUDITORS

- 11 (a) Subject to 11 (c) the Annual General Meeting in each year shall appoint an auditor who shall be a member of the New Zealand Society of Accountants who shall audit the accounts of the Association and shall certify annually as to the correctness thereof. In the event of the auditor being unable to act, the Committee shall appoint an Auditor in his place.
- (b) No person shall be appointed as Auditor who is a member of the Committee.
- (c) The Association need not appoint an auditor in accordance with 11(a) if, at or before the meeting, a unanimous resolution is passed by all the members who would be entitled to vote on that resolution at a meeting of Members.

FINANCE

- 12 (a) All moneys received on account of the Association shall be paid to its credit at the offices of its banker within seven days of receipt.
- (b) All accounts shall be submitted to the Committee for examination and for approval or confirmation of payment.

- (c) All payments by the Association shall be made by cheque or by other electronic means which leaves a clear audit trail. Each cheque shall be signed by one of the members of the Committee appointed by the Committee for that purpose and by the Treasurer or Secretary-Treasurer as the case may be.
- (d) The financial year of the Association shall commence on the 1st day of July in each year and shall end on the 31st day of June in the year following.

ANNUAL GENERAL, SPECIAL GENERAL AND GENERAL MEETINGS

- 13 (a) The Annual General Meeting shall be held not later than the 31st October in each financial year.
- (b) Special General Meetings shall be convened by the Secretary -
 - (1) When directed by the President or in his or her absence by the Vice-President.
 - (2) Upon a written requisition signed by not less than six financial members of the Association setting forth in detail the business which is to be brought before such meeting.
 - (3) When directed by a resolution of the Committee.
- (c) If any such meeting is not convened and held within twenty-one days of such direction or requisition, the President or Vice-President or the requisitioning member as the case may be may convene the same.
- (d) Ordinary General Meetings shall be held at such times and places as the Committee shall determine.

NOTICE OF MEETINGS

- 14 (a) At least seven clear days notice in writing or by telephone of all Annual, Special or General Meetings of the Association shall be given to each member.
- (b) In the case of Annual and Special General Meetings the notice shall give details of the business which is to be brought before such meetings and all motions of which notice has been given in accordance with these Rules.
- (c) The failure for any reason of any member to receive such notice shall not invalidate any meeting or the proceedings thereof.

PROCEDURE AT MEETINGS, QUORUM AND VOTING

- 15 (a) The President, or in his/her absence, the Vice-President or in the absence of both, a member elected by the meeting from among the members present shall be Chairman of all meetings of the Association.
- (b) At all Annual, Special and Ordinary General Meetings of the Association, ten financial members shall be a quorum.
- (c) Any member whose subscription is in arrears or who has not paid any sum duly levied by the Association in accordance with these Rules shall not be entitled to vote at or take part in any meeting of the Association.
- (d) Every member is entitled to one vote. The Chairperson shall have a deliberative and a casting vote. No member shall be entitled to vote by proxy at any meeting of the Association.
- (e) Voting at all meetings of the Association shall be on the voices or by show of hands or by ballot as the Chairperson or a majority of members shall decide.
- (f) Except where otherwise provided in these Rules and in the Incorporated Societies Act 1908, all questions shall be decided by a clear majority of those present and voting.

BORROWING AND INVESTMENT

- 16 (a) The power of the Association to borrow money as provided in these Rules shall be exercised only on the resolution of a Special General Meeting convened by the Committee for that purpose.
- (b) Any surplus funds of the Association may be deposited in any Trading Bank investment account or may be invested in any form of security for the time being authorised by law for the investment of trust funds.

COMMON SEAL

- 17 (a) The Common Seal of the Association shall be that approved by the Committee and shall be kept at the registered office of the Association.
- (b) The Common Seal shall be affixed to any deed, document or other writing only pursuant to a resolution of the committee and be witnessed by any one member

of the Committee and the President or the Secretary who shall sign the document so sealed.

INDEMNITY

- 18 The Committee shall be indemnified by the Association from and against all losses and expenses properly incurred by them in or about the discharge of their respective duties.

AMENDMENT OF RULES

- 19 (a) These Rules may be amended, added to, substituted for or rescinded at any Annual General Meeting or Special General Meeting called for that purpose and all provisions relating to such meeting shall apply.
- (b) An authenticated copy of the Rules and by-laws of the Association incorporating all amendments shall be kept by the Secretary and shall at all times be available to members for perusal.

DISPOSITION OF PROPERTY ON WINDING-UP

- 20 In the event of a winding-up of the Association, the surplus assets after payment of all costs, debts and liabilities shall be realised and the proceeds distributed in accordance with the resolution of a meeting of members held for such purpose.

GENERAL

- 21 (a) The Association shall have full power to manage and control its own affairs and to make by-laws, regulations and controlling its activities and meetings and all other matters or things applicable to the Association.
- (b) In the event as to any question arising as to the construction or application of any of these Rules or of any by-laws made pursuant thereto, the Committee is hereby empowered to determine the same. In the event of a dispute the Committee is unable to resolve, the Committee may apply to the New Zealand Arbitrators' Institute for determination and adjudication on that issue.
- (c) The Association may in General Meeting discuss and take action in respect of any matter save the suspension of the provisions hereof of which due notice has not been given but which is accepted for discussion and/or action by a three-quarter majority of those present and voting.