



RULES OF THE
INFRASTRUCTURE
INDUSTRY TRAINING
ORGANISATION (Inc.)

TRADING AS CONNEXIS

Registered with the Registrar of Incorporated Societies, effective 29 August 2013

CONNEXIS

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Governance Model

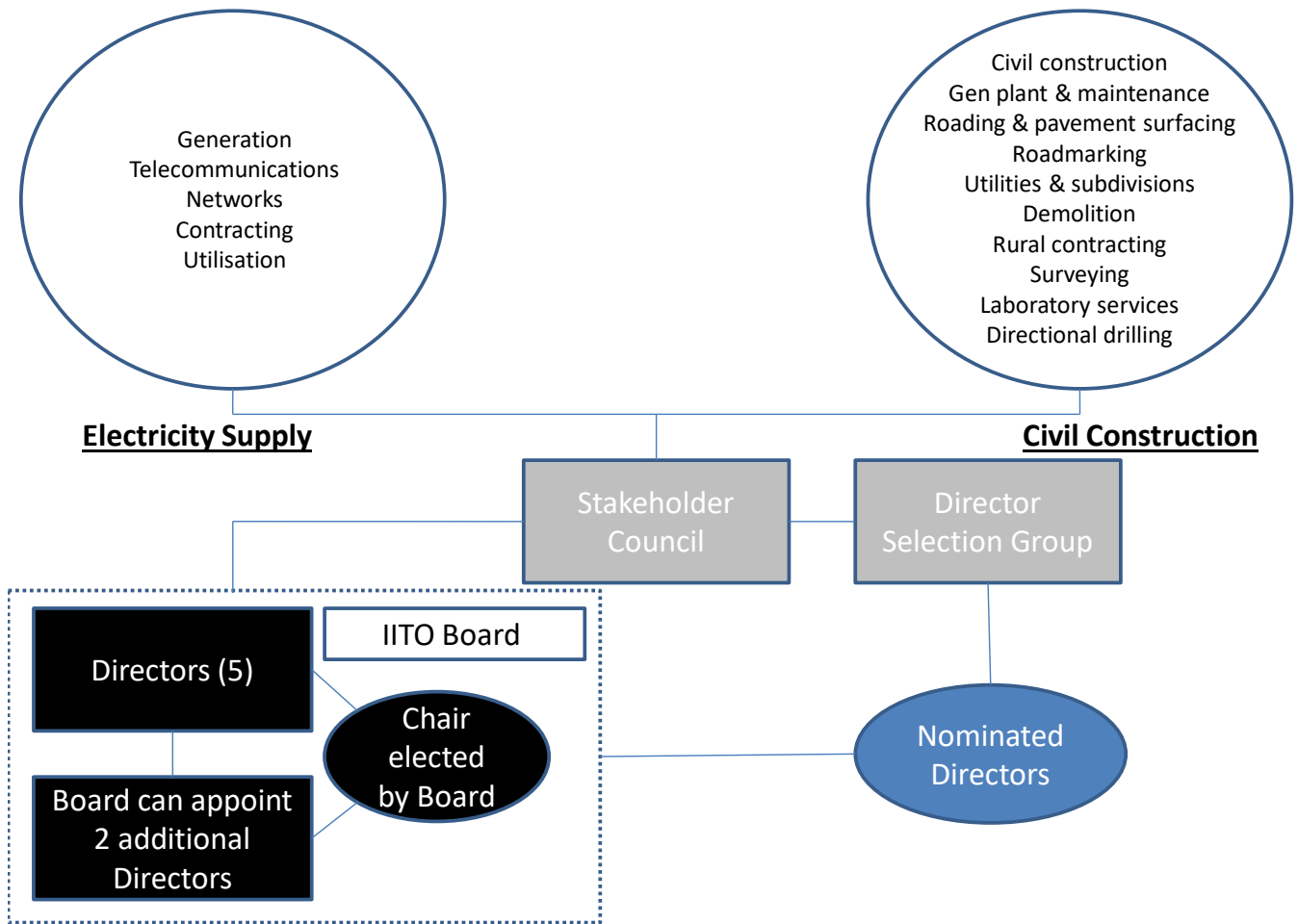
The rules of the Infrastructure Industry Training Organisation (IITO) are based around a governance model designed to ensure IITO is able to recruit and maintain a high performing Board that is competency based, whilst also ensuring stakeholders (members) have involvement in Board selection and appointment, and also have sufficient oversight of Board performance. The governance structure allows for the inclusion of other infrastructure industries over time.

A number of groups are proposed to support the governance structure and allow members to be involved at various levels. These are described in the table below.

| Group | Description |
|--------------------------|---|
| Member | A member of IITO |
| Industry Group | A group of members representing a defined industry sector for which IITO has coverage |
| Stakeholder Council | A group of members from each Industry Group responsible for advising and providing performance oversight of the Board |
| Director Selection Group | A group responsible for appointment of Directors to fill member appointed Board seats |
| IITO Board | The governing body for the new IITO |

A diagram showing relationships between the groups is shown on the following page. This is based on the two initial industry groups, one based around electricity supply and one based around civil construction.

IITO Governance Model



Rules of the Infrastructure Industry Training Organisation (Incorporated)

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1. Name

- 1.1 The name of the society shall be the “Infrastructure Industry Training Organisation Incorporated”, (hereinafter referred to as “IITO” or “the Society”).

2. Definitions

- 2.1 “**Act**” means the Incorporated Societies Act 1908, any amendment thereto or re-enactment thereof.
- 2.2 “**Additional Director**” means a Director appointed by the IITO Board in accordance with rule 11.1.3(b)
- 2.3 “**AGM**” means an annual general meeting of the Members held in accordance with rule 15.2
- 2.4 “**Annual Subscription**” means the annual subscription payable by a Member pursuant to rule 7.
- 2.5 “**Assessment**” means the judgment of competency in accordance with the performance criteria set out in a unit standard.
- 2.6 “**Associate Member**” means a company, organisation or person so admitted by the Board and recorded in the Register.
- 2.7 “**Board**” means the governing Board elected or appointed pursuant to rule 11.
- 2.8 “**Chief Executive Officer**” means the person for the time being so appointed pursuant to rule 14.
- 2.9 “**Director**” means a member of the Board who, under rule 11.1.3 is either a **Member Nominated Director** or an **Additional Director**.
- 2.10 “**Director Selection Group**” means a group of persons appointed in accordance with rule 9.1.4 whose role is to appoint to the Board **Member Nominated Directors**, or candidates from the wider market, to ensure the Board has an appropriate mix of skills and experience.
- 2.11 “**ESITO**” means Electricity Supply Industry Training Organisation (Inc.).
- 2.12 “**Full Member**” means any company or organisation within the Society so admitted by the Board and recorded in the Register.
- 2.13 **Industry or Industries** means any industry or those industries which are recognised by the relevant Government Ministry as being represented by IITO for the purposes of industry training.
- 2.14 “**Industry Group**” means a group of members representing a defined industry sector for which IITO has coverage.
- 2.15 “**Industry Group Representative**” means the individual person who is authorised to represent the Industry Group as determined by it.
- 2.16 “**Infrastructure**” and “**Infrastructure Industry**” refers to the infrastructure industry in New Zealand and means the built environment, assets and networks that service communities where the system as a whole is intended to be maintained by the continuing replacement and refurbishment of its components. This includes transportation (roads, railways, airports and ports), energy (electricity, gas and fuel), water (community supply, waste water, drainage and irrigation) and telecommunications.
- 2.17 “**IITO**” means Infrastructure Industry Training Organisation (Inc.).
- 2.18 “**Joining Fee**” means the Joining Fee that the Board may require to be paid by an applicant for membership pursuant to rule 7.
- 2.19 “**Member**” means any company, organisation or person who has been so admitted by the Board and recorded in the Register.

- 2.20 “**Member Nominated Director**” means a Director appointed in accordance with rule 11.1.3(a).
- 2.21 “**Member Representative**” means the individual person who is authorised to represent a Member as set out in rule 6.4.1
- 2.22 “**Moderation**” means the system by which it is ensured that assessments of competencies in accordance with the performance criteria in unit standards are carried out to a uniform standard by different assessors throughout the country.
- 2.23 “**National Qualifications Framework**” means the collection of unit standards which are registered and approved by the New Zealand Qualifications Authority for the use of one or more industries in assessing the competencies of persons providing the outcome(s) in the title of each unit standard. The achievement of competency in each of a defined number or list of unit standards may entitle the achiever to a national certificate, diploma or degree qualification.
- 2.24 “**Office**” means the registered office for the time being of the Society.
- 2.25 “**Previous Constitution**” means the Rules of ESITO registered with the Registrar of Incorporated Societies effective 1 April 2010.
- 2.26 “**Reciprocal Member**” means an organisation so admitted by the Board and recorded in the Register.
- 2.27 “**Register**” means the register of Members required to be kept by the Society in accordance with rule 6.6.
- 2.28 “**Representative**” means a natural person nominated to represent a Member that is a corporation or organisation or who is elected to represent an industry sector or specific group of members.
- 2.29 “**Rules**” means the registered rules of Infrastructure Industry Training Organisation.
- 2.30 “**Secretary**” means the person for the time being appointed Secretary of the Board.
- 2.31 “**Shareholder Member**” means a shareholder of InfraTrain New Zealand Limited.
- 2.32 “**Stakeholder Council**” means a representative group of members nominated from each Industry Group in accordance with rule 8.
- 2.33 “**Under-represented persons**” means persons who, by reason of their race, gender or ethnicity, are not employed in any given industry in proportion to their general population numbers.
- 2.34 “**Unit standard**” means a document setting out the components requiring to be satisfied to provide a specified work outcome and the performance criteria which are used to assess a person’s competency in carrying out each component of the work.

3. Registered Office

- 3.1 The registered office of the Society shall be at such place as the Board may from time to time determine.

4. Objects

- 4.1 The principal object for which the Society is established shall be:
To develop, promote and facilitate education and training within the Infrastructure Industry so as to increase the general and specific competencies which contribute to the effectiveness of employees within the industry.
- 4.2 Without in any way limiting the generality of the foregoing, subsidiary objects in pursuance of

the principal object shall be:

- 4.2.1 To identify the training needs of employers and those employed in or seeking to be employed in the Infrastructure Industry.
- 4.2.2 To identify, design, write, verify and register on the National Qualifications Framework, the unit standards that the sectors of the Infrastructure Industry require.
- 4.2.3 To evaluate and, where required, design qualifications for recognition within the Infrastructure Industry in New Zealand and overseas and to promote the recognition of such qualifications.
- 4.2.4 To provide such assessments and to issue such certificates or qualifications, either on its own behalf or in co-operation with any other organisation, as the Society may consider desirable.
- 4.2.5 To develop means by which prior learning, including overseas training, may be verified and recognised.
- 4.2.6 To set up moderation systems that ensure the nationwide uniformity of assessments to those unit standards registered by the Society on the National Qualifications Framework.
- 4.2.7 To accredit providers of training to the Infrastructure Industry.
- 4.2.8 To monitor and improve the standard of education and training of those employed or seeking to become employed in the Infrastructure Industry.
- 4.2.9 To provide a forum for the study, discussion and exchange of information relating to education and training within the Infrastructure Industry.
- 4.2.10 To arrange, promote and monitor such training programmes as the Society may consider desirable, taking into account the needs of Under-represented persons, the creation of equal employment opportunities and the requirements of the Industry Training Act 1992 and its amendments.
- 4.2.11 To provide training advice to those employed or seeking to be employed in the Infrastructure Industry, provide training related information pertaining to the Infrastructure Industry, and publish and distribute or sell such publications and aids to training as the Society considers desirable.
- 4.2.12 To co-operate with government and providers and monitor organisations concerned with education and training in all matters relating to the training, assessment and certification of employees or those seeking to be employed in the Infrastructure Industry.
- 4.2.13 To monitor current and potential issues that may impact upon or affect the education and training interests of the Infrastructure Industry.
- 4.2.14 To represent the interests of the Infrastructure Industry on the quality of the education and training within the Infrastructure Industry.
- 4.2.15 To make available such prizes, awards or scholarships for educational achievements as the Society may consider desirable.
- 4.2.16 To assist and co-operate with or become a member or agent of any charitable organisation, incorporated or not, with objects similar to those of the Society.
- 4.2.17 To provide a platform to support further growth recognising the vision of creating an Industry Training Organisation serving the entire Infrastructure sector.

4.2.18 To generally do anything that has as an object or will result in the improvement of the performance of those employed or seeking to be employed in the Infrastructure Industry.

5. Powers

- 5.1 The Society shall have powers to do all such lawful acts and things as are incidental or conducive to the attainment of the objects set out in rule 4 or any other charitable objects that its Members may from time to time authorise the Society to undertake.
- 5.2 Without limiting the foregoing, the Society shall have power:-
- 5.2.1 To use its funds to pay all costs and expenses properly incurred in carrying out the objects of the Society, including remuneration of officers, employees and agents of the Society.
 - 5.2.2 To invest monies and assets of the Society and not required for immediate use in such forms of investment as the Board considers fit.
 - 5.2.3 To purchase, take on lease, hire or otherwise acquire or hold on any tenure, real or personal property that may be necessary or convenient for the purpose of the Society and hold, manage, demise, let, sell, mortgage, improve and deal therewith.
 - 5.2.4 To make grants and donations to any person or body undertaking work which will further the objects for which the Society is established or assist the Society in furthering its objects.
 - 5.2.5 To raise or borrow money for the purpose of carrying out the objects of the Society.
 - 5.2.6 To enter into all negotiations, contracts and agreements and do all such acts necessary or desirable to achieve the objects of the Society.
 - 5.2.7 To employ officers, employees and agents on such terms and conditions as the Society determines.
 - 5.2.8 To establish, promote or otherwise assist any committees or subcommittees of the Society.
 - 5.2.9 To receive money or property by way of gift, subscriptions and otherwise in order to assist the Society carry out its objects.
 - 5.2.10 To employ the profits of the operations of the Society in furthering the objects of the Society in accordance with these Rules.
 - 5.2.11 To do all things that are incidental or conducive to the attainment of the Society's objects.

6. Membership

6.1 Full Membership

6.1.1 Any company or organisation within the Infrastructure Industry as defined in rule 2 may make application to the Society to become a Full Member of the Society.

6.2 Associate Membership

6.2.1 Any company, organisation or person, not being a company or organisation within the Infrastructure Industry eligible to apply for Full Membership, may make application to the Society to become an Associate Member of the Society.

6.3 Reciprocal Membership

6.3.1 The Board may confer Reciprocal Membership on charitable organisations within New Zealand having similar objects to the Society provided that those organisations offer the Society membership of their organisations on similar terms to the Reciprocal Membership proposed to be conferred on them by the Board and the Board accepts membership on behalf of the Society.

6.4 **Member Representation**

6.4.1 A Member is represented by their authorised individual person known as a Member Representative who if successful may be elected to the Industry Group which represents that Industry (see rule 8). To identify such persons and their authority to represent a Member and also to identify such persons and their authority to represent an Industry Group, IITO may require notification of relevant information and the Member and the Industry Group (as the case may be) must ensure that this is provided to IITO within such time period as required. Such notifications may be relied upon by IITO without need for further enquiry. An Industry Group may if so determined by IITO be permitted to appoint more than one Industry Group Representative to General Meetings but must designate only 1 person to exercise voting rights and must inform IITO of such person.

6.4.2 If a Member Representative is unable to attend any meeting then the Member may appoint such an alternate to attend, participate in and vote (if permitted by these Rules) at such meeting.

6.5 **Application for Membership**

6.5.1 Each company, organisation or person entitled to make an application to become a Member in terms of rule 6.1 or 6.2 must make such application in the form prescribed from time to time by the Board.

The application form shall be delivered to the Office together with the appropriate Joining Fee, if demanded, and the first year's membership subscription.

6.5.2 The Board shall consider each application for membership at the first meeting of the Board following receipt of the application or at the next meeting and shall either accept or reject such application. The Board shall not be required to give any reason for the rejection of any application. In the event of an application being rejected any Joining Fee and the first year's membership subscription shall be returned to the applicant.

6.5.3 The Board may decline to admit any applicant to any class of membership if it considers that such applicant would more appropriately be considered for membership in any other class and, in any such case, shall invite that applicant to apply for membership in the appropriate class.

6.6 **Register of Members**

6.6.1 The Board shall cause a Register of Members to be kept in the Office of the Society in which shall be entered:

- (a) the name, address, class and date of admission of every Member of the Society;
- (b) terminations and re-instatements of membership; and
- (c) any further particulars that the Board or the Members may require to be entered in the Register.

6.6.2 The Register shall be made available for inspection at all reasonable times by any Member that or who applies to the Secretary for such inspection.

6.6.3 Each Member shall notify the Society of any change in that Member's address.

6.7 Role of Members

- 6.7.1 A Member is admitted to Membership and retains Membership by satisfying the requirements as may be set in these Rules or as set by IITO provided that such requirements are not inconsistent with these Rules.
- 6.7.2 An Industry Group is authorised to represent Members from that Industry and retains that right by satisfying the requirements which are either set out in these Rules or are set by IITO provided such requirements are not inconsistent with these Rules.
- (a) Members who form an Industry Group to represent Members from that Industry must make application in the form prescribed from time to time by the Board, which shall include a requirement to specify the name of the Industry Group, the Industry sector it represents and the names of the Members who are represented by the Industry Group.
- (b) The Board shall consider an application to form an Industry Group at the first meeting of the Board following receipt of the application or at the next meeting and shall accept or reject such application. The Board is required to give a reason for the rejection of the application.
- 6.7.3 The benefits, rights of attendance and participation and powers given to Members are:
- (a) In some cases required or permitted by these Rules to be exercised for and on behalf of that Member (and other Members from the same Industry) through the Industry Group (or through the Industry Group Representative) that represents that Industry in which the Member participates, and
- (b) In some cases required or permitted by these Rules to be exercised by the Member or through its Member Representative (as the case may be).
- 6.7.4 The role of Members is to:
- (a) Appoint persons to the Industry Group for the Industry in which the Members participates;
- (b) Nominate candidates for the Board;
- (c) Grant (to the extent not otherwise provided for in these Rules) to the Industry Group in which the Member participates, and in conjunction with other Industry Groups rights to:
- i) Appoint persons to the Stakeholder Council and to approve or reject recommendations made by that Council;
 - ii) Receive notices, attend, speak and vote at General Meetings;
 - iii) Propose and/or approve changes to these Rules;
 - iv) Receive reports on finances and proceedings of IITO, achievement of milestones and any other matters considered by the Board to be relevant;
 - v) Receive audited accounts;
 - vi) Appoint or reappoint an auditor;
 - vii) Undertake and/or exercise such other rights, powers and obligations as conferred on the Industry Group of the Industry in which it participates either by these Rules or otherwise by IITO.

6.8 Cessation of Membership

6.8.1 A membership of the Society shall cease:

- (a) If the Member resigns that membership by notice in writing delivered to the Secretary;
- (b) where either the Industry Group or the Board considers the conduct of the Member or its Member Representative has brought either the Industry Group or IITO into disrepute and by Special Resolution of the Industry Groups at a General Meeting or of Directors at a Board meeting it is resolved to cease the Membership provided that before either such resolution is made, the Member concerned shall be given at least 21 days' notice in writing and shall have the special right to make submissions in writing to the Board meeting or to be heard at the General Meeting at which the resolution is proposed (as the case may be);
- (c) if the membership is terminated by the Board under the provisions of this rule by reason of failure to pay any subscription or levy;
- (d) In the case of a Member who is not a natural person if:
 - (1) the Member becomes insolvent or makes an assignment of a substantial part of its property for the benefit of its creditor;
 - (2) a receiver or manager is appointed in respect of any of the property of the member;
 - (3) a liquidator is appointed pursuant to the Corporations (Investigation and Management) Act 1989;
 - (4) an order is made by the Court for the liquidation of the Member;
 - (5) the Member is dissolved by any means (except that the admission of a partner to or a retirement of a partner from a partnership shall not in itself constitute a dissolution of a partnership);
 - (6) the membership is terminated by the Board under the provisions of this rule by reason of failure to pay any subscription or levy or because the Member ceases to hold the qualification for membership under which it was admitted to membership; and
 - (7) the membership is terminated by the Board under the provisions of this rule by reason of failure to pay any subscription or levy or because the Member ceases to hold the qualification for membership under which it was admitted to membership; and
- (e) in the case of a Member who is a natural person if:
 - (1) the Member dies;
 - (2) the Member is convicted of an indictable offence;
 - (3) the Member becomes bankrupt, applies to take benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his or her creditors or makes an assignment of a substantial part of his or her property for their benefit;

6.8.2 Any Member resigning from the Society or for any reason ceasing to be a Member shall not be entitled to any refund of its or his or her subscription, levy or joining fee or other sum of money paid to the Society or any part thereof.

6.8.3 If a Member fails to pay any subscription, levy or Joining Fee or other sum of money

whatsoever due by the Member to the Society for a period of three months after it becomes due, then the Board may at any time while that sum remains unpaid, suspend or terminate the membership of that Member.

6.8.4 If a Member ceases to hold the qualification for membership upon which that Member was admitted to membership under rule 6 and would no longer be eligible to apply for membership in that category, the Board may suspend or terminate the membership of that Member.

6.8.5 A Member, the membership of which or of whom ceases in any manner, shall remain liable to the Society for all subscriptions, levies, and other monies whatsoever due prior to the termination of its or his or her membership, including the subscription payable in respect of the period current at the date of such termination.

6.8.6 A Member, the membership of which or of whom is suspended or terminated pursuant to this rule, may be reinstated upon such terms as the Board may determine.

6.9 **Membership Transition Arrangements**

6.9.1 The following Rules apply to enable transition of IITO from the requirements of its previous Constitution to the requirements of this Constitution. If any of the following Rules are inconsistent with any other Rules of this Constitution then the following Rules shall apply to the extent of the inconsistency and the other Rules in this Constitution shall not.

6.9.2 The following transitional provisions relate to Membership:

(a) Those registered bodies which immediately prior to the approval of this Constitution at a General Meeting were Shareholder Members of InfraTrain New Zealand Limited are deemed to have become accepted by IITO as Full Members under rule 6.1 of this Constitution;

(b) Those individuals, incorporated bodies and corporate members who immediately prior to the approval of this Constitution at a General Meeting were Members of ESITO are deemed to have continued as Members of IITO in accordance with the provisions of rule 6 of this Constitution;

7. **Subscriptions and Joining Fees**

- 7.1 By a date not later than 30 September of each year, the Board shall determine the subscriptions payable by Full and Associate Members for the ensuing financial year and advise such Members accordingly. Full Members' subscriptions shall be set in any equitable way determined by the Board taking into account the value of assets owned by each Full Member and the number of persons employed by each Full Member working within the Infrastructure industry as determined from time to time. All subscriptions shall become due and payable at the registered office of the Society on the first day of the next financial year.
- 7.2 The Board may direct that those companies or organisations within the Infrastructure Industry which apply to become Full Members of the Society after the expiry of the first financial year shall pay a Joining Fee, such amount not to exceed half of the subscription that the applicant would have paid had it become a Full Member in the previous financial year.
- 7.3 Resignation shall not relieve a Member from liability for any unpaid Joining Fee, subscription or other levies due to be paid by that Member.

8. Industry Groups

- 8.1 Appointments to the Industry Group are by such processes as the Members of that Industry determine. Each Industry Group will represent one or more parts of the Infrastructure Industry.
- 8.2 An Industry Group may appoint person(s) to the Stakeholder Council if it represents more than 5% of the total trainee numbers of IITO in its own right as follows:

| % of Trainees of IITO | Number of Stakeholder Council Members |
|------------------------------|--|
| < 5% | No members |
| 5% - 15% | One member |
| 15%+ | One member for each additional 10% above 15% |

- 8.3 If an Industry Group does not satisfy the 5% requirement but in conjunction with other Industry Groups, collectively represents more than 5% of the total trainee numbers of IITO, such collective of the Industry Groups may appoint one person between them to the Stakeholder Council.
- 8.4 Appointments to the Stakeholder Council are for a term of 12 months. Any appointee may be re-appointed for any number of subsequent terms.
- 8.5 An Industry Group ceases to be an Industry Group in the event:
- 8.5.1 It gives 21 days' notice in writing to the Board
 - 8.5.2 The Board considers that the conduct of the Industry Group or the Industry Group Representative has brought either the Industry Group or IITO into disrepute, and by a Special Resolution of Directors at a Board meeting it is resolved to remove the Industry Group's representation in and involvement with IITO. Before such resolution is passed, the Industry Group must be given at least 21 days' notice in writing and shall have the opportunity to make submissions in writing to the Board meeting at which the resolution is proposed.
 - 8.5.3 If any levies or fees payable by the Industry Group to IITO are not paid, provided that before such cessation occurs, the Industry Group concerned and all the Members within that Industry are given notice in writing by IITO that payment is due and that the Industry Group will cease unless payment is received by the set date;
 - 8.5.4 The Industry Group ceases to operate;
 - 8.5.5 The Industry Group ceases to have an Industry to represent.

9. Stakeholder Council

- 9.1 The purpose of the Stakeholder Council is to:
- 9.1.1 Provide industry specific advice to the Board, including general trends, intelligence and information useful to the strategic performance of IITO;
 - 9.1.2 Monitor the performance of the Board against performance criteria agreed with the Board;
 - 9.1.3 Agree the skills matrix from which Board appointments are made;
 - 9.1.4 Appoint up to five members to the Director Selection Group by such process as they determine, provided that all persons so appointed must be an Industry Group Representative.

10. Director Selection Group

- 10.1 The Director Selection Group shall comprise the Chair of the Board and up to five Members appointed by the Stakeholder Council.
- 10.2 The Director Selector Group must appoint Member Nominated Directors in accordance with rule 11.1.3(a). It shall meet and determine its own process as it requires to consider candidates for Directorship and conduct its appointments.
- 10.3 With the exception of the Chair of the Board who shall be appointed in accordance with rule 10.1 no member of the Director Selection Group shall be eligible for appointment to the Board.
- 10.4 Any member of the Director Selection Group may, from time to time, ascertain the views of any Industry Group on nominations for Member Nominated Directors with a view to ascertaining the confidence of the Industry Groups in a proposed nominee, prior to any appointment to the Board of a Member Nominated Director by the Director Selection Group.

11. Governing Board

11.1 General

- 11.1.1 The affairs of the Society shall be governed by a Board comprising persons elected or appointed in accordance with rule 11.1.3.
- 11.1.2 The Board's functions shall be to:
- (a) set policies and strategies for the Society, taking into account the needs of industry sectors, employers, employees and those persons seeking to be employed in the Infrastructure Industry, and the requirements of the Industry Training Act 1992 and its amendments;
 - (b) oversee preparation and implementation of business plans; establish financial and funding policies;
 - (c) represent the Infrastructure Industry in furtherance of the Society's objects;
 - (d) appoint and monitor the performance of the Chief Executive Officer of the Society;
and
 - (e) otherwise govern the Society, subject to the powers and duties delegated to the Chief Executive Officer pursuant to Rule 14.
- 11.1.3 The Board comprises:
- (a) Five "Member Nominated Directors" appointed from candidates who, in the opinion of the nominating Member are qualified to be Directors having regard to the criteria set out in rule 11.5. The Member Nominated Directors are appointed by a majority vote of the Director Selection Group after receiving, considering and voting on nominations of candidates by Members.
 - (b) Up to two additional Directors ("Additional Directors") appointed by the Board to provide skills and experience that, in the opinion of the Board, would improve the overall ability

and performance of the Board.

(c) In the event of any legal requirement to appoint an employee representative to the Board clause 11.1.3(b) will apply, in which case candidates for such appointment shall be:

- i) Employed within the Infrastructure Industry; or
- ii) Otherwise qualified by virtue of his or her training, expertise or experience, to represent employees in the governance of the Society.

(d) Appointed Board Members shall have full voting rights on the Board.

11.2 A term of office of a Director shall be no longer than 3 years. A Director may be reappointed for subsequent terms without limitation.

11.3 Subject to rule 11.4, at each Annual General meeting commencing from the second AGM after the date that this Constitution is approved a minimum of two Directors shall retire from office. The Directors to retire every year shall be those whose three year term is due to expire (see rule 11.2) and if there are not two such persons then those who wish to retire and if the minimum number of two retirees is still not met then such additional persons as required to meet the minimum from those two who have been longest in office since the last election. As between persons who became Directors on the same day those to retire shall (unless otherwise agreed among themselves) be determined by lot. A retiring Director shall retain office until a successor is appointed.

11.4 In the event that any Director ceases to hold office as set out in rule 11.6 the vacancy shall be filled in the same manner as provided in rules 11.1.3 and 11.5. The appointed Director shall take up office for the remainder of the term (if any) of the vacating Director. There shall be no obligation to fill a vacancy if the appointment of a person to fill the vacancy would be for a term of less than six months.

11.5 The Members in nominating candidates to be member Nominated Directors pursuant to rule 11.1.3(a) above, and the Industry Groups in forming their views (if invited to do so by the Director Selection Group in accordance with rule 10.4 above) as the case may be, shall have regard for:

- (a) The ability and willingness of the candidate to make a substantial commitment to IITO;
and
- (b) The commercial experience and any relevant background of the nominee to be a Director.

The Industry Groups and Members recognise the desirability of reaching a suitable balance of skills and experience on the Board. In this respect Industry Groups, Members, and members of the Director Selection Group agree to take the balance of skills and experience of the whole Board into account in performing their part of this process, whether in making nominations, in forming and communicating their views, or in appointing Directors, as the case may be, under rule 11.1.3.

11.6 A Director or any person serving on a committee of the Board ceases to hold office in the following circumstances:

- (a) Dying;
- (b) Being declared of unsound mind or being subject to an order under the Protection of Personal and Property Rights Act 1988;

- (c) Resigning or their terms of office expiring;
- (d) Being convicted of a criminal offence;
- (e) Becoming bankrupt;
- (f) Making any arrangement or composition with his or her creditors generally; or
- (g) Engaging in conduct which is determined by a Special Resolution of Directors at a Board Meeting or by a Special Resolution of Industry Groups at a General Meeting to have acted in a manner that is:
 - i) Detrimental to the interests of IITO; and
 - ii) Should result in removal from office, and provided that in each case the person has the opportunity to either make written submission to or to address the relevant meeting.
- (h) Experiencing a change of circumstances or relocating overseas and the board determines by Ordinary Resolution that it is no longer practical for the Director to perform the role as intended at the time of their appointment to the Board.

11.6.2 The following transitional provisions relate to Directors and the Board:

- (a) The persons who pursuant to the Previous Constitution were Directors immediately prior to the approval of this Constitution at a General Meeting shall be deemed to have retired from office upon the approval of this Constitution at a General Meeting.
- (b) With immediate effect upon the approval of this Constitution at a General Meeting the Board shall comprise:
 - i. Three Directors appointed by the Board of ESITO
 - ii. Three Directors appointed by the Board of InfraTrain
 - iii. If unanimously agreed by the persons referred to in rule 11.1.3(b) and (c) above, one Additional Director (but this does not prevent the Board from later appointing more Additional Directors as allowed by rule 11.1.3(b)).
- (c) All Directors appointed under rule 11.6.2(b) are deemed to have been appointed the same day, with the six Directors being deemed to be Member Nominated Directors in accordance with the process set out in rule 11.1.3(a), and the Director (if any) appointed under rule 11.6.2(b)(iii) to be one Additional Director appointed under rule 11.1.3(b).
- (d) The Directors appointed in rule 11.6.2(b) are appointed to serve until the second AGM after the General Meeting of which this Constitution is approved. As a consequence of rule 11.6.2(b) and the above transitional provisions the Nominated Director Selection process under rule 10.4 and the role of Director Selection Group under rule 10 does not commence until new or replacement Member Nominated Directors are required, which (unless there are any earlier vacancies to be filled) need not occur until the second AGM after the date the General Meeting at which this Constitution is approved.

11.7 Board Meetings

11.7.1 The Board shall meet at least two times in each financial year and, in addition, whenever the Board itself determines. A meeting of the Board shall be called upon receipt by the

Secretary of any requisition in writing signed by not less than fifty per cent of the Members of the Board stating the general business of the meeting.

- 11.7.2 Notice of all Board meetings indicating the business to be transacted shall be given in writing to all Members of the Board at least fourteen days before the meeting unless at least seventy-five per cent of those Members agree to shorter notice. As far as is practicable, supporting papers for each agenda item shall accompany the notice.
- 11.7.3 Copies of the minutes of each Board meeting shall be circulated to the members of the Board by the Secretary within two weeks of the date of such meeting.
- 11.7.4 Unless otherwise determined by the Society in general meeting, a quorum of the Board shall be no less than four Members of the Board. No business shall be transacted unless a quorum is present. If within half an hour of the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same place and the same hour of the same day of the following week and the Members present shall be a quorum.
- 11.7.5 Board meetings shall be presided over by the Chairperson or in the Chairperson's absence by a member present elected by a majority of the members of the Board then present.
- 11.7.6 Questions arising at a meeting of the Board or any committee appointed by the Board under the provisions of rule 11.8.3 shall be determined by a show of hands. Each Member of the Board is entitled to one vote and, in the event of equality of votes on any question, the Chairperson or in the absence of the Chairperson the person presiding at the meeting may exercise a second or casting vote.
- 11.7.7 The Society shall pay such travel, accommodation and other expenses approved by the Board as are necessary for the attendance of any member of the Board or the proxy of a member at any meeting of the Board.
- 11.7.8 Meetings of the Board may be by way of the Board meeting personally or by telephone, electronic or other linked form of joint communication.
- 11.7.9 A resolution in writing signed or assented to by letter, cable, telex, facsimile, or other written message, by all of the members of the Board entitled to receive notice of meetings of the Board shall be valid and effectual as if it had been passed at a meeting of the Members of the Board duly called and constituted. Any such document may consist of several documents in like form, each signed or purporting to have been dispatched by one or more member of the Board.

11.8 Board Powers

- 11.8.1 The Board shall be entitled to exercise all of the powers of the Society set out in rule 5 except those that are expressly reserved in these Rules to be exercised by the Society in its AGM or a special general meeting.
- 11.8.2 The Board may investigate alternative or additional means of financing the activities of the Society to those that may be inferred from the powers of the Society set out in rule 5.
- 11.8.3 The Board may delegate any of its powers to committees consisting of such persons as it thinks fit. Any committee so formed shall in the exercise of its powers conform to any regulations that may be imposed on it by the Board.
- 11.8.4 The Board may call on such advisers or co-opt such persons as it thinks fit to the Board or to any committee. Co-opted persons shall have no voting rights at Board meetings but their voting rights at committee meetings shall be at the discretion and resolution of the Board.

11.8.5 The Board may from time to time fix attendance fees for members of the Board attending meetings, honoraria for the Chairperson or for members of the Board and fees payable to members of the Board for special services rendered. The total of all fees paid under this rule shall be separately identified in the Annual Accounts.

12. Chairperson

- 12.1 The Board shall choose a Chairperson from among the Directors. The Chairperson shall assume the rights and responsibilities of the Chairperson of the Board set out in rule 11.7 and whenever present at a Board meeting shall preside at such meetings.
- 12.2 The Chairperson shall hold office for a period of two years only, with the term expiring at an AGM, but the outgoing Chairperson shall be eligible for re-election or re-appointment subject only to the limitation on tenure of Board membership where this has effect.

13. Secretary

- 13.1 The Board shall appoint a Secretary who may also hold another position of office within the Society who shall cause proper minutes to be kept and circulated of all meetings and carry out such other duties required of the Secretary by these Rules or by lawful instructions of the Board.
- 13.2 The Secretary shall be appointed for a period of two years only, with the term expiring at an AGM, but the outgoing Secretary shall be eligible for reappointment without limitation.

14. Chief Executive Officer

- 14.1 The Board may appoint a Chief Executive Officer to manage and administer the business of the Society.
- 14.2 The Chief Executive Officer shall manage and administer the business of the Society in accordance with his or her contract of employment with the Board and the Schedule of Delegated Authorities approved from time to time by the Board. The Chief Executive Officer may be appointed as Secretary of the Society under Rule 13.

15. General Meetings

15.1 Notice of General Meeting

- 15.1.1 The Secretary shall, at least fourteen days before the date fixed for holding a general meeting of the Society, cause to be sent to each Industry Group at the Industry Group Representatives address appearing in the Register, a notice by prepaid post stating the place, date and time of the meeting and the nature of the business to be transacted at the meeting. As far as is practicable, supporting papers for each agenda item shall accompany the notice.
- 15.1.2 An Industry Group desiring to bring any business before a general meeting must give notice of that business in writing to the Secretary, who shall include that business in the notice calling the next general meeting after the receipt of the Industry Group's notice. Notices of business given by Industry Group(s) are to be in the Secretary's hands at least twenty-one days before the date of the general meeting at which the business is to be raised or else such business may be deferred to the next general meeting.

15.2 Annual General Meeting

- 15.2.1 The AGM of the Society shall be in addition to any other special general meetings held in the same financial year and shall be held within three months of the end of each financial year on such day as the Board determines.
- 15.2.2 The ordinary business of the AGM shall be:
- (a) to confirm the minutes of the last preceding AGM and of any special general meeting held since that meeting;
 - (b) to receive and consider reports from the Board on the current position of the Society and its transactions during the last preceding financial year; and
 - (c) to receive and consider the statement to be submitted by the Society in accordance with section 23 of the Act.
- 15.2.3 The AGM may transact special business of which notice has been given in accordance with rule 15.1.
- 15.2.4 Copies of the minutes of each AGM shall be circulated to all Industry Groups by the Secretary within two weeks of the date of such meeting. The minutes shall be made available by the Secretary at reasonable times for inspection by any Member of the Society at the Office of the Society.

15.3 Special General Meetings

- 15.3.1 All general meetings other than the AGM shall be called special general meetings. The Board may, whenever it thinks fit, convene a special general meeting of the Society.
- 15.3.2 The Board may, whenever it thinks fit, convene a special general meeting of the Society.
- 15.3.3 The Board shall, on written request signed by at least 50% of the Industry Groups, convene a special general meeting of the Society. Any requisition for a special general meeting shall state the objects of the meeting, signed by the Industry Group Representative(s) making the requisition and be sent to the Secretary; the requisition may consist of several documents in a like form, each signed by the Industry Group Representative(s) making the requisition.
- 15.3.4 If the Board does not cause a special general meeting to be held within one month after the date on which the requisition was sent to the Secretary, the Industry Group(s) making the requisition, or any of them, may convene a special general meeting to be held not later than three months after that date.
- 15.3.5 A special general meeting convened by Industry Group(s) in pursuance with the foregoing in this rule shall be convened in the same manner as nearly as possible as that in which those meetings are convened by the Society and all reasonable expenses incurred in convening the meeting shall be refunded by the Society to the persons incurring the expenses on the presentation of reasonable proof of such incurrence.
- 15.3.6 Copies of the minutes of each special general meeting shall be circulated to all Industry Groups by the Secretary within two weeks of the date of such meeting. The minutes shall be made available by the Secretary at reasonable times for inspection by any Member of the Society at the Registered Office of the Society.

15.4 Chairperson of General Meeting

- 15.4.1 The Chairperson of the Board shall preside as Chairperson at each general meeting of

the Society.

15.4.2 If the Chairperson of the Board is absent from a general meeting, the Industry Groups present shall elect one of their number to preside as Chairperson at the meeting.

15.5 **Conduct of General Meeting**

15.5.1 No business other than set out in the notice convening the general meeting shall be transacted at the meeting.

15.5.2 Rulings by the Chairperson of the meeting on procedural matters shall be final.

15.6 **Special Business**

15.6.1 All business that is transacted at a special general meeting and all business that is transacted at an AGM, with the exception of that specified in rule 15.2.2 as being the ordinary business of the AGM, shall be deemed to be special business.

15.7 **Quorum**

15.7.1 No item of business shall be transacted at a general meeting unless a quorum of Industry Groups entitled under these Rules to vote is present during the time that the meeting is considering that item.

15.7.2 Twenty five per cent of the total number of Industry Groups entitled under these Rules to vote at a general meeting shall constitute a quorum for the transaction of the business at a general meeting.

15.7.3 If within half an hour after the appointed time for the commencement of a general meeting a quorum is not present, the meeting if convened upon the requisition of Industry Group(s) shall be dissolved but in any other case shall stand adjourned to the same day in the next week at the same time and (unless another place is specified by the Chairperson at the time of the adjournment or by written notice to the Industry Groups given before the day to which the meeting is adjourned) at the same place.

15.7.4 If at the adjourned meeting the quorum is not present within half an hour after the time appointed for the commencement of the meeting, the Industry Groups present shall be a quorum.

15.7.5 Industry Group Representatives may attend General Meetings personally or by telephone, electronic or other linked form of joint communication where these facilities are available.

15.7.6 Where an Industry Group has appointed a proxy, in accordance with Rule 15.9.1, that Member shall be included in the calculation of numbers present for the purposes of determining whether there is a quorum.

15.8 **Voting**

15.8.1 At General Meetings a Member may attend and speak but have no voting rights (except as may be specifically allowed in these Rules). The Members are represented at General Meetings by the Industry Group of the Industry in which they participate and it in turn is represented by its Industry Group Representative.

15.8.2 No Industry Representative or proxy of an Industry Group shall be entitled to vote unless all annual subscriptions and other fees due and payable by the Industry Group in accordance with rule 7 have been paid.

15.8.3 A question arising at a general meeting of the Society shall be determined on a show of hands by those Industry Group Representatives entitled to vote, unless a poll is

demanded by any Industry Group Representative.

- 15.8.4 A declaration by the Chairperson of the meeting that a resolution has been carried or lost, and an entry to that effect in the minutes of the meeting shall be evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against that resolution.
- 15.8.5 All votes shall be given personally by Industry Group Representatives entitled to vote appointed in accordance with rule 15.8.1 and 15.8.2 or by proxies appointed in accordance with rule 15.9.1.
- 15.8.6 In the case of equality of votes on a question, the Chairperson of the meeting is entitled to exercise a second or casting vote.
- 15.8.7 If, at a general meeting, a poll on any question is demanded by the Industry Group entitled to vote at that meeting, the question shall be resolved by the votes cast for and against by Industry Groups and the resolution of the poll shall be deemed to be the resolution of the meeting on that question.
- 15.9 **Proxies and Postal Votes**
- 15.9.1 Each Industry Group, shall be entitled to appoint a Representative as their proxy by notice given to the Secretary no later than 24 hours before the time of the meeting in respect of which the proxy is appointed. The notice appointing the proxy shall be in such form as may be prescribed by the Board.
- 15.9.2 Any Industry Group entitled to vote at a general meeting may forward to the Secretary a postal or facsimiled vote on any matter included in the notice of meeting, such vote to be in the hands of the Secretary prior to the meeting.

16. Personal Benefit

- 16.1 No Member of the Society or any person associated with a Member of the Society shall participate in or materially influence any decision made by the Society, the Board or any officer or employee in respect of any matter in which that Member is materially interested.
- 16.2 All income, benefits or advantage must be used to the advantage of the charitable purposes of the Society.
- 16.3 Any payments made to a member of the Society, or a person associated with a Member of the Society, in the course of activities relating to the operation of the Society, must be for goods and services or to reimburse the Member for training expenses properly incurred that advance the charitable purposes of the Society and must be reasonable and relative to payments that would be made between unrelated parties.

17. Finance and Funds

- 17.1 The financial year of the Society shall be from the first day of January until the thirty first day of December.
- 17.2 The Chief Executive Officer shall cause all monies received to be deposited in a bank account and this account shall be operated under the authority of the Board.
All cheques, automatic payment authorities or direct debit authorities shall be signed in such manner as the Board from time to time determines.
- 17.3 All funds set aside for special purposes, or trust funds vested in the Society, shall be held,

invested and disposed of in accordance with the terms and conditions laid down by the instrument creating the trust or if none then by a decision of the Board. Subject to the foregoing requirements of this rule, all surplus funds of the Society and special funds may be invested from time to time in accordance with the investment policies approved by the Board and recorded in the quality manual.

- 17.4 The foregoing provisions in this rule shall not preclude the Board from employing any part of the Society's ordinary funds in accordance with its objects.

18. Auditor

- 18.1 The auditor of the accounts of the Society shall examine the books and accounts of the Society and shall verify and certify the annual balance sheet and accounts of the Society.
- 18.2 The auditor must be a person registered to conduct audits and shall be appointed at the AGM of the Society. The auditor partner or manager shall retire at the following AGM but shall be eligible for re-appointment for up to four terms served consecutively and may be re-appointed with the same limitation after the expiry of a period of not less than two years from ceasing to serve as the auditor.
- 18.3 The auditor shall not hold any other office in the Society.

19. Common Seal

- 19.1 The common seal of the Society shall be under the control of the Board and shall be assigned to the custody of the Secretary. It shall not be affixed to any document except by resolution of a general meeting of the Society or of the Board and shall be affixed in the presence of any two of the Chairperson and Secretary and such other Members of the Board as may be appointed by the Board for that purpose.
- 19.2 A Schedule of Delegated Authorities listing financial and contractual authorities shall be approved from time to time by the Board and shall determine when the common seal of the Society is to be used.

20. Removal from Office

- 20.1 Any officer or agent of the Society or any Member of the Board who has failed or neglected to carry out his/her duties in a satisfactory manner of which the Board after due inquiry shall be the sole judge may be removed from his/her office or position by resolution of the Board.
- 20.2 Any person so removed who is a Representative of a Member may be replaced by that Member.

21. Interpretation of Rules and Procedural Matters Not Provided For

- 21.1 If at any time doubt arises as to the interpretation of these Rules or any procedural matter arises that is not provided for in these Rules, the same shall be determined finally by a decision of the Board.

22. Alteration of Rules

- 22.1 Subject to rule 22.2, no alteration or addition to these Rules shall be made except by a resolution passed by a three fourths majority of votes cast by Industry Groups represented at an AGM or special general meeting of which notice has been given in terms of rule 15.1.

22.2 No addition to or alteration or rescission of the Rules shall be made if it affects the charitable objects, the personal benefit clause or the liquidation clause.

23. Indemnity

23.1 Members of the Board and officers of the Society shall be indemnified by the Society from all losses and expenses incurred by them in or about the discharge of their respective duties except those incurred as a result of a wilful default in the discharge of those duties.

23.2 No Member of the Board or officer of the Society shall be liable for the acts or omissions of any other Member of the Board or officer, or for joining in any receipt or documentation, or for any act or conformity, or for any loss or expense incurred by the Society unless such loss or expense is incurred by his or her wilful default.

24. Liquidation

24.1 The Society may be put into liquidation by resolution appointing a liquidator passed by a simple majority at a general meeting of the Society, the notice for which has included the proposal for the appointment of a liquidator, such resolution being confirmed by a like majority at a further general meeting called for the purpose and held not sooner than one calendar month after the date on which the resolution to be confirmed was passed.

24.2 Upon the liquidation of the Society, any property remaining after the satisfaction of all liabilities and the costs, charges and expenses of liquidation shall be transferred to such other charitable association, society or organisation within New Zealand having objects similar to the objects of the Society and whose purpose come within the definition of "charitable purposes" as prescribed in section 5(1) of the Charities Act 2005, (as determined by the Industry Group Representatives) or if there are no longer any Industry Group Representatives as a judge of the High Court may direct.

