

CONSTITUTION OF BOOKSELLERS NEW ZEALAND
(INCORPORATED)

1. Name

1.1 The name of the Association shall be "BOOKSELLERS NEW ZEALAND INCORPORATED" ("The Association")

2. Registered Office

2.1 The Registered Office of the Association shall be at Wellington, New Zealand, or such other place in New Zealand as the Board may from time to time determine.

3. Interpretation:

3.1 In this constitution

"Association" means Booksellers New Zealand (Inc.)

"Board of Directors" shall comprise all persons elected or appointed as a Director

"Board" means the Board of Directors

"Chief Executive Officer" shall mean the Chief Executive Officer for the time being of the Association

"Director" shall mean any Director elected or appointed under clauses 12.2 or 12.7

"Local Association" shall mean any local grouping of members of the Association

"Member" shall mean a registered member of the Association admitted under Rule 5

“Multiple” means:

- (a) any two or more retail bookselling stores which are owned or controlled either directly by one company or legal person or indirectly through any company or legal person having more than 50% ownership of those stores; or
- (b) any two or more retail bookselling stores which are members of a co-operative company and/or franchised structure

4. Objects

4.1 The objects of the Association are:

- (a) To foster, promote and encourage the development of the retail book industry of New Zealand on sound lines and generally to promote, protect and safeguard the interests of its Members in trade matters;
- (b) To generate increased book sales and consequent market share through investment in specific and generic book promotion;
- (c) To maximise the effectiveness of book industry promotions by involving publishers in the development and implementation of marketing activities;
- (d) To provide a means whereby Members may confer with one another on matters affecting common interests and the book industry of New Zealand generally;
- (e) To procure information concerning matters which may be of interest to members and to distribute such information amongst Members;
- (f) To co-operate with and/or become a member of and/or contribute to the funds of any other Association or organisation not existing for profit and having objects altogether or in part similar to those of the Association which are likely to promote the interests of the Association or of the retail book industry of New Zealand generally;

- (g) To acquire, hold and dispose of such real and personal property as may be necessary for the purposes of the Association.
- (h) To invest any funds of the Association in any investments authorised by the laws of New Zealand for the investment of trust funds and also in the purchase of shares or stock in any companies listed on the Stock Exchange in New Zealand or elsewhere;
- (i) To take or empower such legal or other lawful proceedings as may be deemed necessary for the proper conduct of the business of the Association;
- (j) To establish and organise a scheme or schemes among Members for the issue and redemption of book tokens;
- (k) To borrow or raise money; and
- (l) To do all such lawful things as may be necessary incidental or conducive to the attainment of the above objects or any of them.

5. Membership

5.1 Membership of the Association shall be open to:

- (a) Individuals acting as sole traders;
- (b) Companies; and
- (c) Each store comprised in a multiple;

and each such applicant must be engaged in or associated with the retail book industry of New Zealand.

5.2 Application for membership shall be made in writing to the Chief Executive Officer who shall then immediately submit such application to the Board. The Board may accept or decline any application submitted to it and shall not be called upon to give any reason for accepting or declining any application for membership and its decision will be final.

5.4 Notwithstanding Rule 5.1, the Board may accept as a member of the Association any other individual, association, company or group which

in the Board's opinion would advance, facilitate or attain any of the objects of the Association. Such a member would be known as an Associate Member and be entitled to many of the benefits of membership at a reduced membership fee but would have no power to vote at meetings or take part in the book tokens scheme available to full Members.

- 5.4 A Member may resign by giving one month's written notice to The Chief Executive Officer and the Member shall not be entitled to any refund of subscription or levy for that portion of the year of the Association unexpired after the date of the membership ceasing; or
- 5.5 If any Member in the opinion of the Board has been guilty of conduct which makes it undesirable that the Member should continue to be a member of the Association the Board will give the Member one month's written notice terminating that member's membership. The Member is entitled to appeal the Board's decision by application to a general meeting of the Association for reinstatement of membership to the Association and a vote of four-fifths of the Members present at a general meeting will decide whether to let the termination stand or whether to reinstate the Member.

6. Local Associations

- 6.1 Members of the Association may form Local Associations of Members and, subject to the approval of the Board, such Local Associations may:
 - (a) refer any such matter affecting the retail book trade to the Board for such action as the Board deems appropriate; and
 - (b) submit remits to the Board for placing before the Association at the Annual General Meeting of the Association as provided in clause 14.18.

7. Special Purposes Group

- 7.1 Members may establish such group or groups according to such criteria as the Board may from time to time determine for the purpose of establishing standards and obtaining favourable trading concessions.
- 7.2 The Board may admit to such group or groups, upon application, those Members who fulfil the criteria and pay the subscription set by the Board. The Board may from time to time remove from membership of such group or groups those Members who fail to meet such criteria.

8. Annual Subscriptions

- 8.1 The Board:
- (a) will determine the annual Subscription payable by Members;
 - (b) may reduce the annual subscription payable by any Member in respect of the first year of membership where membership covers a period of less than twelve calendar months; and
 - (c) may, in its sole discretion, have power to vary the annual subscription for any Member or any group of Members.

9. Entrance Fee

- 9.1 In addition to the first year's subscription the Board may require new Members to pay an entrance fee, the amount of which is to be fixed from time to time by the Board.

10. Levies

- 10.1 If the subscriptions and any other income of the Association in any year is insufficient to meet expenses, the Board may impose a levy upon Members in proportion to the annual subscription payable by each Member provided, however, that the amount of levy in respect of any one year shall not exceed the amount of the annual subscription payable by the Member in respect of that year.

11. Non-Payment of Subscriptions, Entrance Fees, Levies

- 11.1 Any Member failing to pay a subscription, entrance fee or levy by the due date shall have no membership rights and be disqualified from voting or taking part in any meeting or receiving any benefits until such subscription, entrance fee or levy is paid.

12. Management

- 12.1 The governance and overall control of the Association shall be vested in the Board
- 12.2 The number of Directors shall not at any time be more than eight, six of whom shall be elected at the Annual General Meeting.
- 12.3 Each Director shall hold office for two years and will be eligible for re-election at the next Annual General Meeting.
- 12.4 A nomination for a position of Director shall be made in writing by a member and shall be in the hands of the Chief Executive Officer at the registered office of the Association no later than 5 p.m. on the 20th clear day prior to the date of the Annual General Meeting ("the cut-off date"). Any person so nominated shall be a financial member or an employee of a financial Member of the Association. In the event that there are insufficient nominations by the cut-off date, then additional nominations for Directors can be accepted from Members at the Annual General Meeting.
- 12.5 No Director, whether elected or appointed, shall hold office for more than four (4) consecutive two (2) year terms. At the conclusion of the fourth consecutive term in office a Director shall stand down. Following a one year stand-down period, that Director is then eligible for re-election in the normal way.
- 12.6 Each year 50% of the Directors shall stand down. Those who are eligible for re-election and are nominated shall be eligible for a further term up to the four (4) term maximum.

- 12.7 In addition to the six elected Directors the Board may appoint a further Director or Directors who may be a non-member who have expertise, or qualities that the Board considers will serve the objects of the Association. Such appointed Directors will be appointed in accordance with Board policy determining how this discretion will be exercised. An appointed Director will serve a one year term of office and will be eligible for re-appointment at the end of each year.
- 12.8 Any Director may be removed from office by resolution passed at a Special General Meeting of the Association called for the purpose. The vote on any motion to remove a director shall be taken by secret ballot.
- 12.9 The Board shall exercise all or any of the powers, functions, authorities and discretions of the Association without reference to a general meeting of the Association and shall have authority to:
- (a) Fix the annual subscription, entrance fee and levies (if any) for the Association.
 - (b) Enter into any contracts on behalf of the Association and expend the funds of the Association as may be deemed best to carry out the work and objectives of the Association.
 - (c) Delegate any of its powers to a sub-committee of the Association.
 - (d) Fill casual vacancies on the Board occurring between Annual General Meetings.
 - (e) Institute or carry out or defend legal proceedings when necessary including the recovery of any debts due to the Association.
 - (f) Carry out and enforce any of the other aims, objects and interests of the Association.
 - (g) Establish, amalgamate, subdivide, disband and close local associations and special purpose groups of the Association in any part of New Zealand and fix the boundaries of districts within such Local Associations or special purpose groups shall operate.

- (h) Borrow or raise money and to secure payment of the same in such manner as the Board shall determine provided there is two-thirds majority of the Board voting to do so.
- (i) Make, alter and rescind by resolution bylaws and regulations to control, regulate and authorise:
 - (aa) The administration of and meeting procedures to be adopted by local associations and special purpose groups of the Association; and
 - (bb) All other matters specified or involved in the aims and objects of the Association or in this Constitution and regulations PROVIDED that any such regulations shall be subject to and not in conflict with the provisions of this constitution.

13. Proceedings of the Board

- 13.1 The Board will hold its first meeting no later than one month after the date of the Annual General Meeting at which meeting they will appoint from amongst their number a Chairperson and Deputy Chairperson provided that no person is eligible for appointment as Chairperson who has already served in that position for the preceding four years.
- 13.2 The Board may meet together for the transaction of business, adjourn and otherwise regulate their meetings in such manner as the Chairperson or in his/her absence the Deputy Chairperson shall direct.
- 13.3 The Chief Executive Officer shall give seven days' prior notice in writing to the Directors of the date, time and location of meetings of the Board.
- 13.4 The quorum for a meeting of the Board shall be five (5) Directors personally present.
- 13.5 All matters for consideration at any meeting of the Board shall be decided by a majority of the votes cast by Directors present, provided that when it is deemed expedient to decide any question by means of correspondence in lieu of meeting, a decision or resolution assented to

in writing, or by facsimile transmission, or by email by a majority of the Directors communicating a decision or vote to the Chief Executive Officer shall be valid and effectual.

- 13.6 The Chairperson or any three Directors may summon a special meeting of the Board.
- 13.7 Each Director shall have one vote except that in the event of an equality of votes at any meeting the Chairperson shall have a second or casting vote.
- 13.8 A Director shall not vote in respect of any contract or proposed contract with the Association in which that Director is interested in any matter related to the contract. The process for dealing with conflicts of interest by Board members shall be detailed in a Board Conflicts of Interest Policy.

14. General Meetings

- 14.1 General meetings shall be held at such a place as the Board determines.
- 14.2 An Annual General Meeting shall be held not later than 31st of August in each year. The business of the meeting shall be to receive the report of the Board on the affairs of the Association or any Local Association or Special Purpose Group and the past year's transactions together with the accounts of the Association made up to the 31st day of March with the Auditor's report attached, to approve last year's Annual General Meeting minutes, to elect the Board, to appoint an auditor and transact any other items of business received pursuant to clause 14.6.
- 14.3 An auditor who is a member of the New Zealand Society of Accountants (not being a Director or a member of a Local Association) may be appointed annually by the Annual General Meeting.
- 14.4 All general meetings other than the Annual General Meeting shall be called Special General Meetings. A Special General Meeting of the Association may be called at any time by the Chairman or Chief

Executive Officer at the request of ten members. For the purpose of this sub-clause a multiple shall rank as one member.

- 14.5 Not less than sixty days written notice shall be given by the Chief Executive Officer to the Members of:
 - (a) the date and place for the Annual General Meeting; and
 - (b) the closing date for the submission of nominations for elected Board Members and items of business (including any proposed alterations to this Constitution) for consideration at the Annual General Meeting.
- 14.6 The closing date for the submissions of nominations for elected Board Members and items of business (including any proposed alterations to this Constitution) will be 5 p.m. on the 30th day before the date for the Annual General Meeting.
- 14.7 An agenda for the Annual General Meeting is to be forwarded to all Members not less than 10 days before the date of the meeting, including the text of any special resolutions to be submitted to the meeting to enable Members to form a reasoned opinion in relation to it before the meeting.
- 14.8 Notice of a Special General Meeting specifying the time and place of the meeting and the nature of the business to be transacted at the meeting, shall be posted or delivered to all Members at least fourteen days prior to the date fixed for the meeting, provided however that a notice of any Special General Meeting called pursuant to clause 20.1 shall give Members 21 days' notice of that meeting.
- 14.9 The accidental omission to give notice of a meeting to a Member does not invalidate the proceedings at that meeting.
- 14.10 No business shall be transacted at any Special General Meeting except that which is specified in the notice calling the meeting.
- 14.11 The quorum at all general meetings shall be twenty-five Members present personally, or by proxy. For the purpose of this sub-clause a multiple shall rank as one Member.

14.12 At all general meetings every Member present personally or by proxy and entitled under this constitution to vote shall be entitled to one vote and the Chairperson shall in addition have a casting vote. All voting shall be on the voices or by a show of hands unless a poll is demanded by at least five (5) Members. Any poll shall be taken in such manner as the Chairperson decides. A motion shall be carried by a simple majority except as provided in clauses 19.1 and 20.1.

14.13 Multiple voting:

- (a) Subject to paragraph (b) of this clause, a Multiple shall be entitled to the number of votes which equates to the total subscription paid by the Multiple to the Association divided by the average base subscription for an individual member and the result then rounded down to the nearest whole number.
- (b) In the event that all of the Multiple votes cast at a general meeting exceed 49% of the total votes, the Multiple votes will be reduced pro rata as between the Multiples until the aggregate number of Multiple votes which could be so cast does not exceed 49% of the total votes cast at that meeting.
- (c) At the commencement of a general meeting the Multiple Members will advise the Chairperson the identity of their representative who is casting vote(s) on their behalf.

14.14 Proxies

- (a) A Member may exercise the right to vote either by being present in person or by proxy who is entitled to attend and be heard at a general meeting as if the proxy were the Member.
- (b) A proxy must be appointed by notice in writing signed by the Member and the notice must state the general meeting for which the proxy is appointed.
- (c) No proxy is effective in relation to a meeting unless a copy of the notice of appointment is delivered to the Chief Executive Officer not less than 48 hours before the start of the meeting.
- (d) A proxy form will be sent with each notice calling a general meeting, and may (so far as the subject matter and form of the resolutions reasonably permits) provide for two-way voting on all

resolutions enabling the Member to instruct the proxy as to the casting of the vote.

- (e) So far as is reasonably practicable, resolutions shall be framed in a manner which facilitates two-way voting instructions for proxy holders; and
- (f) An instrument appointing a proxy shall be in the following form or a form as near to it as circumstances admit:

**BOOKSELLERS NEW ZEALAND (INC.)
INSTRUMENT APPOINTING A PROXY**

I/We _____

of _____

being a Member of Booksellers New Zealand (Inc) appoint

_____ [print name of proxy]

of _____

or failing him/her _____ of _____

as my/our proxy to vote for me/us on my/our behalf at the annual/special meeting

to be held at _____ on _____ commencing

at _____ am/pm and at any adjournment of such meeting.

I/we direct my/our proxy to vote in the following manner

Resolutions	Vote with a tick	
	For	Against
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____

Dated: _____

Signed: _____
[Usual signature/s]

- 14.15 At every general meeting the chair shall be taken by the Chairperson if present or in his/her absence by the Deputy Chairperson or in his/her absence by a Chairperson nominated by the Members present at the meeting.
- 14.16 If within thirty minutes from the time appointed for the meeting a quorum of members is not present the meeting shall be adjourned and a new meeting shall be held within thirty days. If at such new meeting a quorum of Members is not present with thirty minutes from the time appointed for the meeting, the members present, personally or by proxy, (being not less than seven Members) shall constitute a quorum. Notice of any such new meeting shall be given as stated in clause 14.8.
- 14.17 The election of Directors shall be by ballot if necessary and two scrutineers shall prior to the holding of any ballot be appointed by the Members present, personally or by proxy. They shall conduct the ballot and shall certify to the Chairperson the name or names of the persons elected. Immediately the Chairperson has declared the successful nominees duly elected the ballot papers shall be destroyed. In the event of a tied vote, the election will be resolved by a vote off of the tied candidates and will be conducted by a display of names of the tied nominees, and a secret ballot will be held for the number of directors required.
- 14.18 All Members and Local Associations shall have the right to submit remits for consideration to the Annual General Meeting but such remits must reach the Chief Executive Officer not later than the cut-off date. The Board shall have power to bring remits before the Annual General Meeting without complying with this rule.

15 Chief Executive Officer

- 15.1 A Chief Executive Officer shall be appointed by the Board to manage the affairs of the Association, on such terms and conditions as the Board shall think fit. The Chief Executive Officer may be removed from office by a decision of the Board in accordance with clause 13.5. Such a decision shall, at all times, comply with the relevant employment statutes and be consistent with the Board's policies.
- 15.2 The Chief Executive Officer shall attend all meetings of the Association and of the Board and keep minutes of such proceedings. The Chief Executive Officer shall keep a register of the full names and addresses of the Members of the Association and the Board .
- 15.3 The Chief Executive Officer shall present a report of the affairs and activities of the Association during the preceding year and shall have a properly audited balance sheet made out, for every Annual General Meeting.
- 15.4 The Chief Executive Officer is responsible for the financial management of the Association including all of the responsibilities normally associated with this role. The constraints placed upon the Chief Executive Officer in respect of his/her financial management responsibilities shall be detailed in the Board's Financial Management Policy.

16. Books

- 16.1 Any Member of the Association may inspect the financial records and the names of Members at all reasonable times.

17. Financial Year

- 17.1 The financial year of the Association shall terminate on 31st March in each year.

18. Custody of Seal

18.1 The Seal of the Association shall be held by the Chief Executive Officer, and shall be used by him/her for all purposes of the Association for which it may be required. The Seal may be altered or renewed from time to time as the Board thinks fit. The fixing of the Seal to any document shall, in every case, be witnessed by way of the signature of the Chairperson and the Chief Executive Officer or such two Directors as are authorised in that behalf by written resolution of the Board.

19. Regulations and Bylaws

19.1 All regulations, bylaws, trade agreements or arrangements drawn up or entered into on behalf of the Association by the Board and approved by a majority of two-thirds of the Members present, personally or by proxy, at a General Meeting shall be binding upon all Members.

20. Alterations of Constitution

20.1 This constitution shall not be altered, added to or rescinded except by a three-fifths majority of Members present, personally or by proxy, at a meeting specially summoned for the purpose, or at an Annual General Meeting. Notice of all proposed alterations to the constitution must reach the Chief Executive Officer by 5 pm at least 30 days prior to the Special General Meeting at which they shall be considered.

21. Dissolution

21.1 The Association may be wound up voluntarily subject to the operation of Section 24 of the Incorporated Societies Act and after payment of all liabilities, debts and expenses of winding up the Members may divide or reserve the property and funds of the Association in such manner and for such purpose as they may think fit and thereupon the Association shall be dissolved PROVIDED HOWEVER that in no event shall the surplus assets of the Association be divided between the

members nor shall the Members of the Association have any beneficial interest therein.

Signed by: