



## 1 Interpretation

1.1 In the interpretation of these presents except where a contrary intention appears from the context:

- (a) “Board” shall mean those persons who, as at the date of the adoption of these Rules, comprise the members of the board of the Christian Healthcare Trust (“the current board”) or those persons who from time to time replace members of the current board pursuant to the provisions of these Rules for appointment, retirement and removal.
- (b) “Rules” shall mean the rules set out herein.
- (c) “Special Resolution” shall mean a resolution approved by a majority of not less than two thirds of the members of the Board.
- (d) “Trust” shall mean the Christian Healthcare Trust.
- (e) “Trust Property” shall mean the real and personal property inclusive of all investments or assets of whatever nature or kind which shall from time to time belong to or be vested in or be hereafter acquired by the Board which property is directed and declared to be held upon the trusts herein set forth.
- (f) Words importing the singular number shall include the plural number and vice versa and words importing the feminine shall also include the masculine and vice versa and words importing persons shall also include companies, incorporated societies and corporations.

1.2 The Board does and will henceforth hold the Trust Property **upon trust** for the objects and purposes and subject to the provisions set forth in these Rules.

1.3 For the better performance of the trusts hereinbefore referred to it is hereby agreed and declared that the Board shall be administered in accordance with the following provisions and shall have the objects, purposes and powers herein contained.

## 2 **Objects and Purposes**

2.1 To commence, establish, undertake, conduct, organise, develop, manage and carry on hospitals, homes for the elderly and the disabled and any other business and charitable undertakings as the Board shall determine with a view to the furtherance of the objects herein appearing.

2.2 To utilise moneys accruing or arising from the undertakings referred to in clause 2.1 above for the advancement and promotion of all charitable work, including work among the elderly, as the Board shall in its absolute discretion determine **provided that** the allocation of moneys under this clause and any subsequent



clauses herein shall be limited to charitable purposes in terms of the Income Tax Act 2004 and any amendment or re-enactment of that Act.

- 2.3 Without prejudice to the generality of the foregoing paragraphs, the provision of moneys (but only if such provision is charitable according to the law of New Zealand) to any charity if the objects of such charity are similar to the objects of the Trust.

### 3 Powers

- 3.1 Without restricting the generality of the objects hereinbefore set forth the Board shall have the power to do all acts and things which they in their absolute discretion may consider proper or advantageous for accomplishing the true objects and purposes of the Trust and may exercise the following powers and authorities:

- (a) From time to time to set apart as an endowment fund such part or parts of the Trust Property as may in their judgment be so set apart safely and without prejudice to the execution of any of the trusts or powers herein contained and all sums constituting such endowment fund shall be invested by the Board in the name of the Trust in any investments hereinafter mentioned with power at any time to vary any of such investments and such endowment fund and all investments at any time representing the same shall be held in the name of the Trust upon trust that the income thereof shall be applied in perpetuity in like manner and for the like purposes as and for which the Trust Property may be applied under the provisions of these Rules.
- (b) To guarantee and give guarantees for payment of money or the performance of contracts or obligations by any person or company and otherwise to assist any person or company.
- (c) To purchase, take on lease, in exchange or hire or otherwise acquire any real or personal property and any rights or privileges and to sell, exchange, let, bail or lease (with or without option to purchase) or in any manner dispose of any such real or personal property and any rights or privileges as aforesaid.
- (d) To sell or exchange any land vested in the Trust upon such terms and subject to such conditions as the Board may specify, and to hold the proceeds of such sale or exchange upon the same trust affecting the lands so sold or exchanged.
- (e) To borrow money for the purpose of investing the same or for the purpose of exercising any of the powers hereunder at such rate of interest and upon such other terms and conditions as the Board thinks fit and to give security for the repayment thereof over all or any part or parts of the Trust Property whether or not the part or parts over which the security is given benefit by such borrowing and no person lending money to the Trust shall be bound to enquire as to the purpose of any such loan or see to the application thereof.



- (f) To invest money not immediately required to be held to the extent and in the manner permitted to trustees in New Zealand or in the purchase of real or leasehold property in New Zealand.
- (g) To acquire by gift, bequest, transfer or purchase the shares, stock, or debentures of any company incorporated in New Zealand or elsewhere.
- (h) To erect and equip buildings, offices, research centres and works as may be necessary expedient incidental or conducive to the exercising or the carrying out by the Board of any of the purposes or objects of the Trust.
- (i) To take all reasonable and proper care to keep in a state of good order and repair all buildings and other permanent improvements forming part of the Trust Property and to procure and maintain such policy or policies of insurance as may be reasonable against public liability, loss or damage by fire or earthquake, and such other policy or policies of insurance as the Board may from time to time deem expedient to protect themselves or any property against any other insurable risk or liability **provided however** that in the event of any buildings or other structures situated on any land vested in the Trust being destroyed or damaged by fire, the Board may rebuild or not as they may determine, and in the event of the insurance money arising from any policy of insurance proving in the opinion of the Board to be insufficient for the purposes of rebuilding or repairing in a satisfactory manner, the Board may employ any other funds vested in the Trust towards satisfactory rebuilding or repairing of such buildings.
- (j) To engage in or carry on any business and enter into any partnership or other agreement in connection with the carrying on of any business upon such terms and conditions in all respects as the Board may from time to time think fit and to:
  - (i) expand and develop such business in such manner and to such extent as the Board may think fit and to employ therein the whole or any part of the capital of the Trust with the power from time to time to reduce or increase the amount of capital so employed as the Board shall think fit;
  - (ii) buy and sell, take on bailment or otherwise acquire and deal in stock and other chattels of every description used in connection with such business;
  - (iii) recoup any losses incurred in carrying on any such business out of the capital and/or the income of the Trust in such proportions and in such manner as the Board shall think fit;
- (k) To co-operate with other bodies or organisations having objects in whole or in part similar to these objects.
- (l) To use the funds of the Trust as the Board may think necessary and proper in payment of the costs and expenses of the furthering of or



carrying out of the objects of the Trust or any of them including the employment of counsel, solicitors, agents and officers and servants as shall appear necessary or expedient.

- (m) From time to time to appoint one or more agents or attorneys or advisory committees consisting of such persons whether themselves members of the Board or not as the Board think fit and from time to time to regulate and determine the manner of appointment of every such agent attorney or committee to define their powers and functions and to provide any such agent attorney or committee with such clerical and professional assistance as may be reasonably required, and to pay out of the funds of the Trust any proper expenditure in connection with such agent attorney or committee or the work and meetings thereof.
- (n) To take and act upon the opinion of any barrister or solicitor of the High Court of New Zealand, whether in relation to the interpretation of these Rules or any other document or any statute or as to the administration of the Board and the Trust Property, without being liable to any person who may claim to be in any way beneficially interested in respect of any act done in accordance with such opinion.
- (o) To institute, conduct, defend, abandon, or confess judgment in any legal proceedings and to compound and allow time for payment or satisfaction of any debts and of any claims by or against the Board and/or the Trust.
- (p) To use any money or property held by the Board for the general purposes and objects of the Trust and for such other purposes as may appear to the Board in their absolute discretion to be desirable for the better achieving of the purposes and objects of the Trust and the carrying out of any of the aforesaid powers.

#### 4 **Board**

4.1 The members of the Board shall not be fewer than six nor more than twelve. A member of the Board shall hold office until:

- (a) Resignation by written notice to the Board; or
- (b) Death; or
- (c) The member would, if that member were a trustee, be liable to be replaced as a trustee under section 43 of the Trustee Act 1956; or
- (d) The member is absent for three (3) consecutive meetings of the Board without obtaining leave of absence from the Board; or
- (e) Retirement of the member is requested by the majority of the Board, in writing, whichever occurs first.
- (f)



- 4.2 The power to appoint new members of the Board or to re-appoint or remove existing members of the Board under and by virtue of these presents shall vest in the Board for the time being and every such appointment or removal shall be made by majority resolution of the Board and evidenced in writing signed by the Chairperson of the meeting making such appointment or removal.
- 4.3 The Chairperson of the Board shall be elected at an annual general meeting of the Board in accordance with the following rules:
- (a) Where there is or is about to be a vacancy in the office of Chairperson due to the resignation, retirement at expiry of term of office or for any other reason, nominations (which, unless such nominee is no longer a member of the Board by virtue of any of the events set out in clause 4.1 above, may include the vacating Chairperson) to fill the vacancy may be made by members of the Board with the written consent of the nominee up until the commencement of the next annual general meeting;
  - (b) The Board shall by majority vote elect a Chairperson from those nominated;
  - (c) Where the person elected has already held office as Chairperson, whether or not during the immediately preceding term, the person elected shall be elected to hold office of Chairperson for one year from the annual general meeting;
  - (d) Where the person elected has not previously held office as Chairperson, the person elected shall be elected to hold office for three years from the annual general meeting.
- 4.4 The Board may elect one of their number to fill a temporary vacancy in the office of Chairperson until the next annual general meeting or earlier retirement of the person so elected.
- 4.5 The Board may from time to time appoint at its pleasure a Chief Executive and any other employees as the Board shall determine for such term and upon such terms of employment as the Board shall determine and at its pleasure suspend or remove any such Chief Executive or employee.
- 4.6 A note of all appointments, removals and vacancies of members of the Board and of Chairperson shall be entered in the Minute book **provided that** if at any meeting the Chairperson shall be absent the Board present may select one of their number to be Chairperson for the purpose of that meeting and a note of such temporary appointment shall be entered.

## 5 Meetings

- 5.1 The Board may meet adjourn and otherwise regulate its meetings and procedures as it thinks fit.



- 5.2 Unless and until otherwise unanimously decided by the Board by resolution, a quorum shall consist of four members.
- 5.3 The Board may at any time and the Chief Executive thereof shall upon the request of the Chairperson or any one member of the Board convene a meeting of the Board. All members of the Board for the time being in New Zealand (“eligible members”) shall be given no fewer than fourteen clear days’ notice of the convening of any meeting of the Board, unless an urgent meeting of the Board is requested in which case all eligible members shall be given no fewer than three clear days’ notice of the convening of such meeting.
- 5.4 A Minute Book shall be provided and kept by the Board and the following provisions shall apply to it:
- (a) all proceedings of the Board shall be entered in the Minute Book;
  - (b) any such Minute if purporting to be signed by the Chairperson of the meeting at which the proceedings were held, or by the Chairperson of the next succeeding meeting, shall be evidence of the proceedings;
  - (c) where the Minutes have been made in accordance with the provisions of this rule of the proceedings at any meeting of Board, then, until the contrary is proved, the meeting shall be deemed to have been duly held and convened and all proceedings had thereat to have been duly had.
- 5.5 A resolution in writing signed by all members of the Board for the time being entitled to receive notice of a meeting of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolution may consist of several documents in like form each signed by one or more members of the Board.
- 5.6 The continuing members of the Board may act notwithstanding any vacancies in their number but if and so long as their number is reduced below the minimum number necessary to form a quorum at a meeting of the Board the continuing members thereof may act for the purpose of filling vacancies in the Board but for no other purpose.
- 5.7 In the event of an equality of votes at a meeting of the Board the Chairperson shall not have a casting vote.

## 6 Common Seal

- 6.1 The Board will have a common seal and will make provision for the safe custody of the common seal, and the Board may from time to time by resolution change, alter, or adopt any new such seal as they may deem proper. The common seal shall not be affixed to any documents except by the authority of the Board previously given and shall be so affixed in the presence of two members of the Board who shall affix their signatures to every document so sealed.

## 7 Protection of Persons Dealing with the Trust



- 7.1 It shall not be incumbent upon any purchaser, vendor, mortgagee, lessee, or other person to or with whom any sale, exchange, purchase, mortgage or lease as aforesaid shall be made or entered into within the terms of the provisions set forth herein to enquire as to the authority or power of the Board to make any such sale, exchange, purchase, mortgage or lease: and in particular it shall not be incumbent upon any such person to enquire whether the proposed dealing or any contract relative thereto is consistent with the trusts on which the lands or other hereditaments or property proposed to be dealt with are held, or whether the consent of any authority or any person, body corporate, or committee has been given, or to inquire otherwise as to the propriety or regularity of the transaction or as to the application of any money received by the Board upon any such sale, exchange, mortgage or like transaction.

### 8 Responsibility of Board Members

- 8.1 All acts done by the Board or by any person acting on the authority of the Board shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any member of the Board or the authority of such person acting as aforesaid or that they, or any of them, were for any reason disqualified, be as valid as if the member of the Board had been duly appointed and was qualified or the person acting was duly authorised.
- 8.2 The members of the Board shall at all times be saved harmless and kept indemnified from and against all costs, charges, losses, damages and expenses which such person or persons or any of them may sustain, incur or be put to in or about the execution or discharge of their respective offices, or in or about any action, suit or proceedings at law or in equity in which they or any of them shall or may in such capacity as aforesaid be Plaintiffs or Defendants **provided that** such costs, charges, losses, damages and expenses shall not have been sustained by reason of that person's own dishonesty or wilful breach of trust and that such person shall have acted by direction or authority of the Board for the time being. The amount of such costs, charges, damages and expenses for which an indemnity is intended to be hereby provided shall, immediately after the same shall have been sustained or incurred, be paid from the Trust Property. Each of the members of the Board shall be answerable only for his or her own acts, deeds and defaults and not for those of any other member of the Trust Board or of any other person.
- 8.3 The Board may take out and maintain insurance against the risks contemplated in clause 8.2 on such terms as the Board, in its absolute discretion, determines.
- 8.4 No moneys received from any activities of the Trust shall at any time be used by any member of the Board or any other person for private pecuniary gain.
- 8.5 No member of the Board or person associated with the Board shall derive any income benefit or advantage from the Trust where they can materially influence the payment of income, benefit or advantage except where that income, benefit or advantage is deemed to be for:
- (a) professional services to the Board or Trust rendered in the course of business, charged at no greater than current market rates; or



(b) interest on money lent (but at no greater than current market rates).

### 9 Accounts

- 9.1 All moneys received by the Board shall be paid to the credit of the Trust at such Bank as the Board shall from time to time appoint, and cheques on the Bank account, electronic bank transfers and payments from the Bank account and other negotiable instruments shall be signed or authorised by two such persons as the Board may from time to time designate, provided that one of those persons is either a Board member, the Chief Executive or the Trust's Finance Manager.
- 9.2 The Board shall cause proper books of account to be kept in which shall be kept full, true and complete accounts of the affairs and transactions of the Trust.
- 9.3 The books of account shall be kept at such place or places as the Board directs and shall always be open to the inspection of each and every one of the Board.
- 9.4 The Board shall as soon as practicable after the end of every financial year of the Board, cause the accounts of the Trust for that financial year to be audited by a competent accountant appointed for that purpose.

### 10 Variation of Trust

- 10.1 These Rules may be altered, rescinded or added to by a Special Resolution to that effect duly passed by the Board **provided that** no alteration, addition or rescission shall be inconsistent with or create any inconsistency with the general charitable purposes for which the Trust is constituted.

### 11 Winding Up

- 11.1 The Trust may be wound up by resolution of the Board passed by a Special Resolution.
- 11.2 On a winding up the surplus assets after meeting all liabilities shall be paid, distributed, given or transferred as the Board shall direct to some other charitable institution or institutions, organisation or organisations within New Zealand having objects similar or similar in part to the objects of the Trust and which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as is imposed on the Board by these Rules, such institution or institutions, organisation or organisations to be determined by resolution of the Board.
- 11.3 In the event that the Board shall not find a suitable charitable institution or organisation within New Zealand having objects similar or similar in part to the objects of the Board the surplus assets shall be paid, distributed, given or transferred to or for the benefit of such charitable organisation or organisations, institution or institutions or such charitable purpose within New Zealand as the Board shall determine.

### 12 General

- 12.1 Notwithstanding anything hereinbefore contained:



- (a) All activities of the Trust shall be limited to New Zealand.
- (b) Other than as expressly allowed for in these Rules no income or property of the Trust shall at any time be distributed to or otherwise applied for the benefit of the members of the Board, or for any purpose or object which is not regarded as charitable under the law of New Zealand.
- (c) Any member of the Board who is or may be in any other capacity whatever interested or concerned directly or indirectly in any property or undertaking in which the Trust is or may be in any way concerned or involved shall disclose the nature and extent of that member's interest to the other members of the Board, and shall not take any part whatever in any deliberations of the Board concerning any matter in which that member is or may be interested other than as a member of the Board.
- (d) No private pecuniary profit shall be made by any person from the Trust, except that:
  - (i) any member of the Board may receive full reimbursement for all expenses properly incurred by that member in connection with the affairs of the Trust;
  - (ii) the Board may pay reasonable and proper remuneration to any officer or servant of the Trust (whether a Board member or not) in return for services actually rendered to the Trust;
  - (iii) any Board member may be paid all usual professional, business or trade charges for services rendered, time expended and all acts done by that Board member or by any firm or entity of which that Board member is a member, employee or associate in connection with the affairs of the Trust;
  - (iv) any Board member may retain any remuneration properly payable to that member by any company or undertaking with which the Trust may be in any way concerned or involved for which that member has acted in any capacity whatever; notwithstanding that that member's connection with that company or undertaking is in any way attributable to that Board member's connection with the Trust.
- (e) A person who acts in the course of and as part of the carrying on of his business of a professional public practice shall not, by reason only of his rendering professional services to the Trust or to any company by which any of the business of the Trust is carried on, be in breach of the terms of this clause 12.

12.2 The provisions of the foregoing subclauses (a) to (e) of clause 12.1 and clauses 2 and 11 shall not be capable of amendment under Clause 10 hereof unless such amendment is first approved by Inland Revenue Department as not affecting the charitable status of the Trust.