

RULES AND CONSTITUTION

of

KITES TRUST



 **MCBRIDE DAVENPORT JAMES**
REGISTERED AND SOLICITORS

Wellington

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RULES and CONSTITUTION of KITES TRUST

Kites Trust ("the Trust") is a registered charitable trust established for the objects and powers set out below. These are replacement Rules governing the operation of the Trust.

General Principles

A. Treaty of Waitangi

The Trust is committed to working with mana whenua and local tangata whenua to achieve full and active participation in the delivery of its services. In doing so the Trust endeavours to support and promote Maori protection of Maori interests in all areas of service delivery.

B. Ottawa Charter for Health Promotion

The Trust works to the principles of the Ottawa Charter for Health Promotion.

Purpose of the Trust

1. The purpose of the Trust is to combine strengths and work collaboratively with a range of government, community and consumer organisations and individuals who provide mental health services in the Wellington region to meet the aims of the Trust.
2. The Trust is established for charitable purposes in New Zealand.

Aims

3. The Board is established to carry out the following objects within New Zealand:
 - (a) to ensure that people who experience mental health and/or addiction problems have equal opportunities as all citizens to live, work and participate in the community;
 - (b) to facilitate constructive partnerships between people receiving and providing mental health services;
 - (c) to share the resources, skills and experience of mental health service providers and consumer representative organisations in the Wellington region;
 - (d) to promote a community development approach to improve the well-being and social inclusion of people experiencing mental health and addiction problems; and
 - (e) to do any other act within New Zealand that advances the above charitable aims.

Trust Fund

4. All funds and property of whatsoever nature or kind presently held by the Trustees for the purpose of the objects mentioned above and such further or other funds and property of whatsoever nature or kind as they may hereafter be possessed in terms hereof shall become the Trust Fund.

Powers of the Trustees

5. In respect of the Trust Fund and in the management of the Trust the Board of Trustees shall have all discretions and powers vested in trustees by law or in equity from time to time without limitation for the purpose of achieving the aims and shall have the following powers and discretions:
 - (a) to purchase, lease, hire or otherwise acquire any real or personal property;
 - (b) to sell, let, mortgage, hire out or otherwise dispose of or deal with any of the property or assets of the Trust;
 - (c) to construct, maintain or alter any real or personal property forming part of the Trust Fund;
 - (d) to borrow, raise or invest money on such terms as may be thought fit;
 - (e) to enter into any contract or arrangement with any individual, government department, or corporate body;
 - (f) to insure any trust assets for such amounts and on such conditions as the Trustees determine;
 - (g) to pay all or any of the expenses incurred in establishing and running the Board;
 - (h) to employ, engage or discharge staff, advisors or other people whether or not they are Trustees, and to pay their wages, salaries and/or their expenses on terms suitable to the Board;
 - (i) to alter the powers and rules of the Board provided that no alteration or addition detracts from the charitable purposes of the Board;
 - (j) to operate the management and affairs of the Trust through a registered Board of Trustees in accordance with these Rules; and
 - (k) to do all such other things that in the opinion of the Board will further the Trust's aims and powers provided that nothing will be done to detract from the charitable purposes of the Trust, or conflict with any condition imposed by the Department of Inland Revenue.

Definitions and interpretation

6. In this deed the following words will have these meanings ascribed to them:
“Board” and “Trust Board” or “Board of Trustees” means the Board of Trustees registered as a trust board pursuant to the Charitable Trusts Act 1957.
“Trust” means the Kites Trust.

Constitution of the Board

7. The Board will have at least 5 members, provided that if the number of Trustees is reduced to less than 5 the remaining Trustees may continue to act as the Board, but only for such period as is reasonably required to appoint a further Trustee or Trustees.
8. The Board will elect a Chairperson by resolution at a meeting of the Board (or written resolution in lieu of a meeting). The Chairperson will not have a casting vote at meetings of the Board and will hold office until removed or replaced by another Board member.
9. The Board will have power to fill vacancies on the Board or appoint any additional Trustee or Trustees.

Sub-committee

10. The Board may from time to time appoint two or more of its members to form a sub-committee. The sub-committee may co-opt other people who are not Board Members.

Appointment of New Board Members

11. The Board may receive and consider nominations for candidates for appointment to the Board.
12. In making an appointment to the Board consideration shall be given to the network, cultural knowledge, expertise and standing in the community that the candidate would bring to the Board. Consideration will also be given to ensuring that Board members reflect an appropriate and equitable representation of users of mental health services.
13. The Trustees will record an entry in the Trust’s minute books for every appointment, re-appointment, resignation or removal from office of any Trustee.

Term of Office of Board Members

14. A Board member may resign from the Board by giving or posting written notice of his or her resignation to the Chairperson and the resignation will take immediate effect if not otherwise stated in the notice.

15. The Board member will hold office until he or she retires unless prior to this date he or she:
 - (a) resigns;
 - (b) is unable to perform his or her duties;
 - (c) does not attend 3 consecutive Board meetings without adequate explanation;
 - (d) dies;
 - (e) is removed from the Board according to clause 16.

16. A Board member may be removed from the Board by a vote of at least three quarters of the Board members personally present at a Board meeting. The Board member concerned must be given:
 - (a) at least 14 days; written notice of the proposed removal;
 - (b) the reasons for the proposed removal; and
 - (c) an opportunity to reply at the meeting considering his/her removal.

Board Meetings

17. The Board will hold at least two meetings in every year and one of these meetings will be the Annual General Meeting, which is to be held not more than 15 months following the previous Annual General Meeting.

18. At every Annual General Meeting the Board may appoint the following officers, who will hold their appointment until the next Annual General Meeting:
 - (a) a convenor who will convene all Board meetings;
 - (b) a secretary who will carry out the functions allocated to the secretary by the Board;
 - (c) a treasurer who will control the funds of the Board.

19. If at any time an office holder ceases to be a Board member, the Board may appoint another member to that office prior to the next Annual General Meeting.

20. In addition to the appointment of office holders the Annual General Meeting will carry out the following tasks:
 - (a) receive and consider the Annual Report;
 - (b) receive, consider and adopt the Financial Accounts;
 - (c) appoint an Auditor or Accountant who may or may not be a Board Member;
 - (d) consider any other general business.

Notice of Meetings

21. Notice of all Board meetings will be given in writing to each Board Member at least 14 days prior to the meeting. However, if two-thirds of Board Members agree a Board meeting may be called at any agreed time.
22. At least 14 days' notice will be given of the Annual General Meeting.
23. The notice of any meeting shall state the time, date and place of the meeting.

The Running of Board Meetings

24. No business will be transacted unless a quorum of two-thirds of all Board members are personally present.

Voting

25. Every Board Member present at the Board meeting will be entitled to one vote.
26. Any resolution of the Board may be passed at a meeting of the Board by a two-thirds majority of all Trustees or without a meeting by written resolution signed by three-quarters of the Board.
27. If voting is tied or if voting on any matter of business or decision cannot be decided by a two-thirds majority as required by these Rules then the motion is lost unless a simple majority of Trustees then vote in favour of Rule 38 being activated given the importance of the business or decision at hand.

Minute Book

28. All proceedings of Board Meetings will be recorded in a minute book which will be held by a nominated member of the Board and will be available for inspection by all Trustees.

Common Seal

29. The common seal of the Board will be held in the custody of the Board.
30. The common seal will be affixed with the signatures of two Board members to such documents as the Board decides.

Control of Funds

31. The Board shall keep proper books of account, which will be audited annually.
32. All funds received by or on behalf of the Board shall be paid into the Board's bank account.
33. All cheques, electronic payment transactions and withdrawal slips drawn on the Board's account will be signed by two person designated by resolution of the Board.
34. The income and property of the Board shall be applied solely to further the objects of the Board. No income or property shall be paid or transferred directly or indirectly to members of the Board.
35. This will not prevent payment of reasonable remuneration or expenses to any Board member for any services performed by them for the Board. A Board member may charge for any services carried out by him or her where the Board would have had to pay for that service if it was carried out by somebody who was not a member and based on prior approval by the Board. Any such income paid shall be reasonable and relative to that which would be paid in an arm's length transaction (being the open market value).
36. The provisions and effect of this section, "Control of Funds", shall not be removed from this document and shall be included and implied in any document replacing this document.

Alterations and Additions to the Rules

37. The Board may alter, add to or cancel any rules at a Board meeting provided that:
- (a) written notice of the proposed change is included in the notice calling the meeting;
 - (b) the meeting may amend the proposed change;
 - (c) a two thirds majority of the Board members present at the meeting agree to the change;
 - (d) no alteration, addition or cancellation will be made to these rules that is in conflict with:
 - i) the aims and objects of the Trust;
 - ii) the charitable nature of the Trust;
 - iii) the Charitable Trusts Act 1957; or
 - iv) the conditions of any exemption granted by the Department of Inland Revenue.

Mediation and Arbitration

38. If there is a matter in dispute between two or more Trustees, or the Board cannot pass a resolution, then by a simple majority vote by the Board, the matter in dispute is to be referred to mediation by any Trustee.
39. The parties will within 10 working days agree on a suitable person to act as mediator or will ask the Arbitrators' and Mediators' Institute of New Zealand Inc. to appoint a mediator.
40. The mediation will be in accordance with the Mediation Protocol of the Arbitrators' and Mediators' Institute of New Zealand Inc.
41. The mediation shall be terminated by:
- (a) The Trustees reaching agreement on the disputed matter; or
 - (b) Notice to the Trustees by the mediator, after consultation with them, to the effect that further efforts at mediation are no longer justified; or
 - (c) Notice by one or more of the Trustees to the effect that further efforts at mediation are no longer justified; or
 - (d) The expiry of sixty (60) working days from the mediator's appointment, unless the Trustees expressly consent to an extension of this period.

42. If the mediation should be terminated as provided in Rule 41 any dispute or difference arising out of or in connection with this deed, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in New Zealand in accordance with New Zealand law and the current Arbitration Protocol of the Arbitrators' and Mediators' Institute of New Zealand Inc. The arbitration shall be by one arbitrator to be agreed upon by the parties and if they should fail to agree within twenty-one (21) days, then to be appointed by the President of the Arbitrators' and Mediators' Institute of New Zealand Inc.
43. Parties will be responsible for their own mediation and arbitration costs.

Indemnity for Trustees

44. No Trustee shall be liable for any loss other than loss attributable to his or her personal dishonesty or his or her wilful commission of any act known to be a breach of trust. Furthermore, no Trustee shall be liable in respect of the acts or omissions of any co-trustee and shall not be bound to take any proceedings against any co-trustee for any breach of trust committed or alleged to have been committed by such co-trustee.
45. The Trustees shall from time to time and at all times be indemnified by and out of the trust property from and against all costs, charges, losses, damages, and expenses sustained or incurred by them or in or about the execution and discharge of their office or in or about any claim, demand, action, proceedings or defence at law or in equity in which they may be joined as a party.

Liquidation

46. The Trust may be wound up if at a special meeting called for the purpose the Board passes a resolution to do so and appoints one or more liquidators to wind up the Trust's affairs.
47. This resolution must be confirmed at a subsequent Board meeting, which has been called for that specific purpose and is held not earlier than 42 days after the original resolution was passed.
48. Any surplus assets shall be distributed to other approved charitable trusts with similar charitable aims within New Zealand and shall be determined by the Board at the

subsequent General Meeting held to confirm the resolution to wind up the Trust and failing such determination as directed by the Attorney General or the High Court of New Zealand (on due application being made).

SIGNED by the Trustees this 19 day of July 2010.



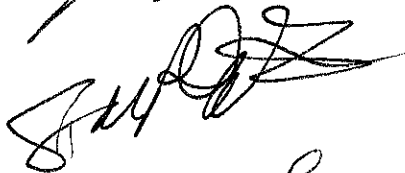
Lyndsay Fortune



Taone O'Regan



Debbie Craigs.



GARY PEARCE



Virginia MacEwan