

CONSTITUTION (DRAFT)

PART. 1. PRELIMINARY

1.1 NAME

The Association shall be known as incorporated abbreviation as

1.2 OBJECTIVES AND PURPOSES

The objectives of the Association are;

- (a) To promote, participate, encourage, facilitate and monitor on behalf of the people of the the sustainable utilization of the land, environment and natural resources in and around Panguna Mine and to ensure that they receive maximum benefit from the development of the Panguna Mine.
- (b) To promote peace, unity and co-operation amongst the and to harmoniously participate in the exploitation of their natural resources and to ensure sustainable utilization for the collective benefit of all
- (c) To distribute the wealth generated from the development of the..... equally to its members by developing, improving and maintaining vital services in their communities which in turn improve their standard of living.
- (d) To receive, organize and administer funds, compensation payments, grants and gifts from the National Government, Autonomous Bougainville Government, the Bougainville Copper Limited and others in PNG and overseas in pursuance of its objectives.
- (e) To promote the efficient management of customary land and resources in accordance with local customary laws and sound economic principles and to assist members of this association in this area in establishing income generating projects
- (f) To undertake education, training and awareness campaigns and programs on environmental issues, development, human rights, land and resources rights for the people.
- (g) To apply the dividends in promoting its objectives.
- (h) To prohibit payment of dividends or interest to individuals and members of the Association.

1.3 INTERPRETATION

1.3.1 in these rules, except in so far as the context or subject-matter otherwise indicates or requires;

“Association” means the association incorporated under the Act referred to in Rules 1.1

“Member of the Association” means member of the Association as approved by the Board.

“ordinary members” means a member of the association who is not an office bearer of the association as referred to in Rule 3.1

“Secretary” means;

- (a) the person holding the office under the Rules as a secretary of the Association; or
- (b) where no such person holds that office, the public officer of the association.

“Special general meeting” means a general meeting for the Association other than an annual general meeting.

“The Act” means the *Association Incorporation Act* (Chapter 142)

“The regulation” means *the Association Incorporation Regulation* made under the Act.

1.3.2 The provisions of the *Interpretation Act* apply to and in respect of these Rules in the same manner as those provisions would apply if these Rules were an instrument made under the Act.

PART. 2. MEMBERSHIP (subject for further discussions)

2.1 MEMBERSHIP QUALIFICATIONS

A person is qualified to be a member of the Association if the person is a natural person or corporation who;

- (a) has been nominated for membership of the Association as provided by Rule 2.2; and
- (b) has been approved for membership of the Association by the Board of the Association.

2.2 NOMINATION OF MEMBERSHIP (*subject for further discussions*)

2.2.1. A nomination of a person for membership of the Association;

- (a) shall be made in writing by a member of the Association in the form set out in the appendix 1 to this Rules, and

(b) shall be lodged with the Secretary of the association

2.2.2 As soon as practicable after receiving a nomination for membership, the secretary shall refer the nomination to the Board.

2.2.3 Where the board approves a nomination for membership, the secretary shall, as soon as practicable after the determination, notify the nominee of the approval and request the nominee to pay within the period of one month after the receipt by the nominee of the notification the sum payable under the Rules by a member as entrance fee and annual subscription.

2.2.4 the secretary shall, on payment by the nominee of the amount referred to in Clause 2.2.3 within the period referred to in that clause enter the nominee's name in the register of members and upon the name being so entered, the nominee becomes a member of the Association.

2.3 CESSATION OF MEMBERSHIP

A person ceases to be member of the Association if the person

- (a) dies; or
- (b) resigns, or
- (c) is deemed to be a person who is not entitled to the rights and privileges of membership of the Association after a general meeting of members of the Association.

2.4 MEMBERSHIP ENTITLEMENTS NOT TRANSFERRED

A right, privilege or obligation which a person has to be reason of being a member of the Association;

- (a) is not capable of being transferred or transmitted to another person; and
- (b) terminates upon cessation of the person's membership.

2.5 REGISTRATION OF MEMBERS

2.5.1 A member of the Association is not entitled to resign except in accordance with following the Rule 2.5.2.

2.5.2 A member of the Association who has paid all the amounts payable by the member to the Association in respect of the member's membership may resign from the membership of the Association by giving notice (being not less than one (1) month or not less than such other period as the Board may determine in writing to the secretary of his or her intention to resign and upon expiration of the period of notice, the member ceases to be a member.

2.5.3 A member of the Association who has not paid any or all such fees and subscription due under Rule 2.7 by the dates specified in Rule 2.7.2 is deemed to have resigned one month after the date specified in Rule 2.5.2.

2.5.4 Where a member of the Association ceases to be member pursuant to Rule 2.3(a) or 2.3(b) or 2.3(c), and in every other case where a member ceases to hold membership, the secretary shall make an appropriate entry in the register of members recording the date on which the member ceases to be member.

2.6 REGISTER OF MEMBERS

2.6.1 The Secretary of the Association shall establish and maintain a register of the members of the Association specifying the names and address of each person who is a member of the Association and the date on which the person became a member.

2.6.2 The register of the members shall be kept at the principal place of administration of the Association and shall be open to inspection at any reasonable hour.

2.7 FEES AND SUBSCRIPTIONS

2.7.1 A member of the Association shall, upon admission to membership, pay to the Association a fee of K_____ or where the fee is determined by the Board or, where some other amount is determined from time to time by the Board, that other amount.

2.7.2 In addition to any payment payable by the member under Clause 2.6.1, a member of the Association shall pay to the Association an annual membership fee determined by the Board or, where some other amount is determined from time to time by the Board, that other amount;

- (a) except as provided by paragraph (b), before 1st March in each calendar year; or
- (b) where the member became a member on or after 1st March in any calendar year, upon becoming a member and before 1st March in each succeeding calendar year.

2.8 MEMBERS LIABILITY

The liability of a member of the Association to contribute towards the payment of the debts and liabilities of the Association or the costs, charges and expenses of the winding up of the Association is limited to the amount, if any, unpaid by the member in respect of membership of the Association as required by Rule 2.7.

2.9 DISCIPLINING MEMBERS

2.9.1 Where the Board is of the opinion that a member of the Association;

- (a) has persistently refused to comply with a provision or provisions of these Rules; or
- (b) has persistently and willfully acted in a manner prejudicial to the interest of the Association; the member shall be notified of such breach or non-compliance with the Rules and of any action that the Board deems in the best interest of the members.

2.9.2 A resolution of the Board under Rule 2.9.1 (a) or (b) is of no effect unless the Board, at a meeting held not less than fourteen (14) days and not later than one month after service on the member of a notice under Rule 2.9.3, confirms the resolution in accordance with this Rule

2.9.3 Where the Board passes a resolution under Clause 2.9.3, the secretary shall, as soon as practicable, cause a notice in writing to be served on the member;

- (a) setting out the resolution of the Board and the grounds on which it is based;
- (b) stating that the member may address the Board at a meeting to be held not earlier than fourteen (14) days and not later than one (1) month after service of the notice;
- (c) stating the date, place and time of that meeting; and
- (d) informing the member that the member may do either or both of the following;
 - (i) attend and speak at the meeting
 - (ii) submit the Board at or prior to the date of the meeting written representation relating to the resolution.

2.9.4 At a meeting of the Board held as referred to in Clause 2.9.1(c) or (d), the board shall;

- (a) give to the member an opportunity to make oral representations;
- (b) give due consideration to any written representations submitted to the Board by the member at or prior to that meeting; and
- (c) by resolution determine whether to confirm or to revoke the resolution.

2.10 RIGHTS OF APPEAL OF DISCIPLINED MEMBERS

2.10.1 Whether the Board confirms a resolution under Clause 2.9.4, the secretary shall, within seven (7) days after that confirmation, by notice in writing inform the member of the fact and of the member's right of appeal under Rule 2.9.

2.10.2 Upon receipt of a notice from a member under Clause 2.9.3, the secretary shall notify the Board which shall convene a general meeting of the Association to be held within twenty-one (21) days after the date on which the secretary a notice that effect.

2.10.3 At a general meeting of the Association convened under Clause 2.9.2;

- (a) no business other than the question of the appeal shall be transacted;
- (b) the Board and the members shall be given the opportunity to state their respective cases orally or in writing or both, and;
- (c) the members present shall vote by secret ballot on the question of whether the resolution should be confirmed or revoked.

2.10.4 If at the general meeting the Association passes a special resolution in favor of the confirmation of the resolution, the resolution is confirmed.

PART. 3. THE BOARD

3.1 POWERS ETC OF BOARD

The Board shall be called the Board of Management of the Association and subject, to the Acts, the Regulations and these Rules and any resolution passed by the Association in general meeting;

- (a) shall control and manage the affairs of the Association;
- (b) may exercise all such functions as maybe exercised by the Association other than those functions that are required by these Rules to be exercised by a general meeting of members of the Association; and
- (c) has power to perform all such acts and to do all such things as appear to the Board to be necessary or desirable for the proper management of the affairs of the Association

3.2 CONSTITUTION AND MEMBERSHIP OF BOARD

3.2.1 The Board shall consist of;

- (a) the office-bearers of the Association; and
- (b) three (3) ordinary members
- (c) each of whom shall be elected at the annual general meeting of the Association pursuant to Rule 3.3.

3.2.2 The office- bearers of the Association shall consist of the;

- (a) the chairman
- (b) the vice- chairman
- (c) the treasurer ; and
- (d) the secretary

(subject for further discussions..)

3.2.3 Each member of the Board shall, subject to these Rules, hold office until the conclusion of the annual general meeting in the subsequent year following the date of the member's election, but is eligible for re-election.

3.2.4 In the event of a casual vacancy occurring in the membership of the Board, the Board may appoint a member of the Association to fill the vacancy and the member so

appointed shall hold office, subject to these Rules, until the conclusion of the annual general election following the date of the appointment.

3.3 NOMINATION AND ELECTION OF BOARD MEMBERS

3.3.1 Nominations for candidates of office-bearers of the association or as ordinary members of the Board;

(a) shall be made in writing, signed by two members of the association and accompanied by a written consent of the candidate (which maybe endorsed on the form of nomination); and;

(b) shall be delivered to the Secretary of the Association not less than seven (7) days before the date fixed for the holding of the annual general meeting at which the election is to take place.

3.3.2 If insufficient nominations are received to fill all vacancies on the Board, the candidates nominated shall be deemed to be elected with effect from the conclusion of the annual general election and further nominations with respect to of the unfilled vacancies shall be received at the annual general meeting.

3.3.3 If insufficient further nominations are received, any vacant position remaining on the Board after the conclusion of the annual general meetings shall be deemed to be casual vacancies.

3.3.4 If the number of nominations is equal to the number of vacancies to be filled, the person nominated shall be deemed to be elected with effect from the conclusion of the annual general meeting.

3.3.5 If the number of nominations received exceeds the number of vacancies to be filled, a ballot shall be held.

3.3.6 The ballot for the election of the office-bearers and ordinary members of the Board shall be conducted at the Annual General Meetings in such usual and proper manner as the Board may direct.

3.3.7 A nomination for candidate for election under this clause is not valid if that candidate has been nominated for the election to another office at the same election.

3.4 SECRETARY

3.4.1 The Board shall appoint a Secretary for the association who is not a Board member

3.4.2 The Secretary of the Association shall, as soon as practicable after being appointed as a public Secretary, lodge notice with the Association of his/her address.

3.4.3 It is the duty of the Secretary to keep:

(a) a Register of minutes of the Association to keep records

(b) all appointment of Office-bearers and members of the Board;

- (c) all names of the Board present at a Board meeting or a general meeting; and;
- (d) all proceedings at Board meeting and general meeting and keep proper

3.4.4 minutes of the proceedings at any meeting of the Association which are to be signed by the chairperson of the next succeeding meeting.

3.5 RESPONSIBILITIES OF THE BOARD

3.5.1 Board members shall exercise their powers and perform their duties in good faith and in the best interest of the Panguna Landowners Association and shall exercise with care, diligence and skill that a reasonable Board member is expected to exercise their powers and functions.

3.5.2 Any Board member who has interest in a transaction with the Association must disclose that interest to the Board and may not act for the Association in any capacity in regard to that transaction and that transaction must be evidenced in a written contract by at least two non-interested Board members.

3.5.3 The Board shall undertake an annual institutional assessment using the tool in Appendix 2 to assess the performance of the Association and make findings of these available to all Board members.

3.6 CASUAL VACANCIES

For the purposes of these Rules, a casual vacancy in the office of a member of the Board occurs if the member;

- (a) dies;
- (b) causes to be a member of the Association;
- (c) becomes an insolvent under administration within the meaning of the Insolvency Act;
- (d) resigns from office by notice in writing given to the Secretary ;
- (e) is removed from the office under Rule 3.6;
- (f) becomes of unsound mind or a person whose person or estate is liable to be dealt with in a way under the law related to mental health; or
- (g) is absent without the consent of the Board from all meetings of the Board held during a period of six (6) months.

3.7 REMOVAL OF BOARD MEMBERS

3.7.1 The Association in a general meeting may move a resolution to remove any member of the Board from the office before the expiration of the member's term of office and may make a resolution to appoint another person to hold office until the expiration of the term of the office of the member so removed.

3.7.2 Where a member of the Board to whom a proposed resolution is referred to in Clause 3.7.1 relates makes representations in writing to the secretary or president (not exceeding a reasonable length) and request that the representations be notified to the members of the Association, the secretary or the president may send a copy of the representations to each member of the Association, and if they are not so sent, the member is entitled to require that the representation be read out at the meeting at which the resolution is considered.

3.8 MEETING AND QUORUM

3.8.1 The Board shall meet at least four (4) times in each period of 12 months at such a place and time as the Board may determine.

3.8.2 Additional meetings of the Board may be convened by the Chairman or by any member of the Board.

3.8.3 Oral or written notice of a meeting of the Board shall be given by the secretary to each member of the Board at least (3) days (or such other period as may be unanimously agreed upon by the members of the Board) before the time appointed for the holding of the meeting.

3.8.4 Notice of meeting given under Clause 3.8.3 shall specify the general nature of the business to be transferred at the meeting and no business other than that business shall be transacted at the meeting except business which the Board members present at the meeting unanimously agree to treat as urgent business and for which notice is deemed to be not.

3.8.5 Any four (4) members of the Board constitute a quorum for the transaction of the business of a meeting of the Board. (*subject for further discussions..*)

3.8.6 No business shall be transacted by the Board unless a quorum is present and if within half an hour of the appointed time for the meeting a quorum is not present, the meeting stands adjourned to the same place and at the hour of the same day at the following week.

3.8.7 If at the meeting a quorum is not present within half an hour of the time appointed for the meeting the meeting shall be dissolved.

3.8.8 At a meeting of the Board;

(a) in the event of its the chairman's absence, the vice chairman shall preside; or

(b) if the chairman and the vice-chairman are absent or unwilling to act, any one of the remaining members of the Board, as may be chosen by the members present at the meeting, shall preside.

3.9 DELEGATION BY BOARD TO COMMITTEES

3.9.1 The Board may, by instrument in writing, delegate to one or more sub-committees (consisting of such member or members of the Association as the Board thinks fit) the exercise of such of the functions of the Board as specified in the instrument, other than;

(a) this power of delegation; and;

(b) a function which is duly imposed on the Board by the Act or by any other law.

3.9.2 A function a exercise of which has been delegated to a committee under this Rule may, while the delegation remains unrevoked, be exercised from the time to time by the sub-committee in accordance with the terms of the delegation.

3.9.3 A delegation under this section may be made subject to such conditions and/or limitations as to the exercise of any function and subject thereof, or as to time or circumstances, as may be specified in the instrument of delegation.

3.9.4 Notwithstanding any delegation under this Rule, the Board may continue to exercise any function delegated.

3.9.5 Any act or thing done or suffered by a sub-committee acting in the exercise of such delegation under this Rule has the same force and effect as it could have if it had been done or suffered by the Board.

3.9.6 The Board my, by instrument in writing, revoke wholly or in part any delegation under this Rule.

3.9.7 A committee may meet and adjourn as it thinks fit and proper.

3.10 VOTING AND DECISIONS

3.10.1 Questions arising at a meeting of the Board or of any committee appointed by the Board shall be determined by a majority of the votes of members of the Board or committee present at the meeting.

3.10.2 Each member present at a meeting of the Board of any committee appointed by the Board (including the person presiding at the meeting) is entitled to one vote but, in the event of a quality of votes on any question, the person presiding may exercise a second or casting vote.

3.10.3 Subject to Rule 3.9.5, the Board may act not withstanding any vacancy on the Board.

3.10.4 Any act or thing done or suffered, or purporting to have been done or suffered, by the committee or by a sub-committee appointed by the Board, is valid and effectual qualification of any member of the Board or committee.

3.11 POWERS OF ASSOCIATION

The Association shall have powers to:

- (a) act as the trustee for the association;
- (b) to establish corporation or subsidiary company for the Association
- (c) to accept and hold on trust any property that is given to the association subject to any trust, and to carry out any such trust;
- (d) to invest its monies in any security in which the trustee is for time being authorized by law to invest trust funds;
- (e) to open and operate bank accounts;
- (f) to borrow money on such terms and in such manner and on such security (if any) as the association thinks proper for the purpose of carrying out its objects and purposes
- (g) to secure the repayment of money so raised and borrowed, or the payment of any debt or liability of the association, by giving mortgages, charges or security on or over all or any part of the property of the association;
- (h) to hold, purchase or take on lease and sell land, exchange, mortgage, lease or build on land;
- (i) to raise money, by donation, subscription or otherwise;
- (j) to employ staff on terms and conditions as are determined by the Board;
- (k) to do any other things reasonably necessary to achieve the objective of the Association.

(SUBJECT FOR FURTHER DISCUSSIONS..)

PART. 4. MEETING AND VOTING

4.1 HOLDING OF ANNUAL GENERAL MEETING

4.1.1 With the exception of the first annual general meeting of the Association, the Association shall, at least once in each calendar year and within the period of six (6) months after expiration of each financial year of the Association, convene an Annual General Meeting of its members

4.1.2 The Association shall hold its first Annual General Meeting;

- (a) within a period of 18 months after its incorporation under the Act; and

- (b) thereafter and in all subsequent years thereafter within a period of 6 months after the expiration of the first complete financial year of the Association.

4.2 CALLING OF ANY BUSINESS AT ANNUAL GENERAL MEETING

4.2.1 The Annual General Meeting of the Association shall, subject to the Act and to Rule 4.1 be convened on each date and at such place and time as the Board thinks fit.

4.2.2 In addition to any other business, which maybe transacted at an Annual General Meeting, the business of an Annual General Meeting shall be;

- (a) to confirm the minutes of the last proceedings Annual General Meeting and of any Special Annual General Meetings held since that meeting.
- (b) to receive from the Board reports upon the activities of the Association during the last proceeding financial year;
- (c) to elect office bearers of the Association and ordinary members of the Board;
- (d) to receive and consider the complete accounts of the Association; and
- (e) to appoint an auditor of the Association

4.2.3 An Annual General Meeting shall be specified as such in the notice convening it.

4.3 CALL OF SPECIAL GENERAL MEETINGS

4.3.1 The Board may, whenever it thinks fit, convene a Special General Meeting of the Association.

4.3.2 The Board shall, on the requisition in writing of not less than 5% of the total number of members, convene a Special General Meeting of the Association.

4.3.3 A requisition of a member for a Special General Meeting;

- (a) shall state the purpose or purposes of the meeting;
- (b) shall be signed by the members making the requisition;
- (c) shall be lodged with the secretary ; and
- (d) may consist of several documents in a similar form, each signed by one or more of the members making the requisition.

4.3.4 If the Board fails to convene a Special General Meeting to be held in one month after the date on which a requisition of members for the meeting is lodged with the secretary, any one or more of the members who made the requisition may convene the meeting and any member who thereafter incurs expenses in relation to the reasonable cost of the member is entitled to be reimbursed by the Association for any expense so incurred.

4.3.5 A Special General Meeting convened by a member or members of the Board shall be convened as nearly as is practicable in the same manner as general meetings are

convened by the Board and any member who thereby incurs expenses is entitled to be reimbursed by the Association for any expense so incurred.

4.4 NOTICE

4.4.1 Except where the nature of the business proposed to be dealt with at a general meeting requires a special resolution of the Association, the secretary shall, at least 14 days before the date fixed for the holding of the general meeting, cause to send notice to each member at the member's address appearing in the register of members, a notice specifying the place, date and time of the meeting and the nature of the business proposed to be transacted at the meeting.

4.4.2 Where the nature of the business proposed to be dealt with at a general meeting requires a special resolution of the Association, the secretary shall, at least 21 days before the date fixed for the holding of the general meeting, cause notice to be sent to each member in the manner provided in Rule 4.4.1 specifying, in addition to the matter required under Rule 4.4.1 the intention to propose the resolution as a special resolution.

4.4.3 No business other than that specified in the notice convening a general meeting may be transacted at the meeting.

4.4.4 A member desiring to bring any business before a general meeting may give notice in writing of that business to the secretary who shall include that business in the next notice calling for a general meeting given after receipt of the notice from the member.

4.5 PROCEDURE

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

4.5.2 Five members present in person (being members entitled under these Rules to vote at a general meeting) constitute a quorum for the transaction of the business of a general meeting.

4.5.3 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 members, shall be dissolved and in any other case shall stand adjourned to the same day in the following week at the time and (unless another place is specified at the time when the meeting is adjourned) at the same place.

4.5.4 If at the adjourned meeting a quorum is not present within half an hour after the time appointed for the commencement of the meeting, the members present (being not less than 3) shall constitute a quorum.

4.6 PRESIDING MEMBER

4.6.1 The Chairman or, in the Chairman's absence the Vice-chairman, shall preside as the Chairperson at each General Meeting of the Association.

4.6.2 If the Chairman and Vice-chairman are absent from a General Meeting or unwilling to act, the members present shall elect one of their members to preside as Chairperson at the meeting.

4.7 ADJOURNMENT

4.7.1 The chairperson of a general meeting at which a quorum is present may, with the consent of the majority of members present at the meeting adjourn the meeting from time to time and place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting at which the adjournment took place.

4.7.2 Where a general meeting is adjourned for 14 days or more, the secretary shall give written or oral notice of the adjourned meeting to each member of the Association stating the place, date and time of the meeting and the nature of the business to have transacted the meeting.

4.7.3 Except as provided in Clause 4.4.1 and 4.4.2 of an adjournment of a General Meeting or of the business to be transacted at an adjourned meeting is not required to be given.

4.8 MAKING OF DECISIONS

4.8.1 A question arising at a general meeting of the Association shall be determined on a show of hands and, unless before or on the declaration of the show of hands a poll is demanded a declaration by the chairperson that a resolution has, on a show of hands been carried or carried unanimously or carried by a particular majority or lost, and an entry to that effect in the minute book of the Association, is evidenced of the fact without proof of the number or proportion of the votes recorded in favor of or against that resolution.

4.8.2 At a general meeting of the Association, a poll maybe demanded by the chairperson or by proxy at the meeting.

4.8.3 Where a poll is demanded at a general meeting, the poll should be taken;

- (a) immediately in the case of a poll which relates to the election of the chairperson of the meeting or to the question of an adjournment; or
- (b) in any case, and the resolution of the poll on the matter shall be deemed to be the resolution of the meeting on that matter.

4.9 VOTING

4.9.1 Upon any question arising at a meeting of the Association a member has one vote only.

4.9.2 All votes shall be given personally or by proxy but no member may hold more than five proxies.

4.9.3 In the case of an equality of votes on a question at a general meeting, the chairperson of the meeting is entitled to exercise a second or casting vote.

4.9.4 A member vote or a proxy is not entitled to vote at any general meeting of the Association unless all money due and payable by the member or proxy to the Association

has been paid, other than the amount of the annual subscription payable in respect of the then current year.

4.10 APPOINTMENT OF PROXIES

4.10.1 Each member shall be entitled to appoint another member by notice given to the secretary not less than 24 hours before the time of the meeting in respect of which the proxy is appointed.

4.10.2 The notice appointing the proxy shall be in the form set out in appendix 2 to these Rules.

4.11 RESOLUTIONS

The resolution of the Association may not be made by postal ballot but must be made at the meeting of the Association.

4.12 SPECIAL RESOLUTION

A resolution of the Association is a special resolution if it is passed by a majority which comprises no less than three-quarters of such members of the Association as.

PART. 5. MANAGEMENT

5.1 SOURCE OF FUNDS

5.1.1 The funds of the Association shall be derived from royalty fees, annual subscription of members, donations and subject to any resolution passed by the Association in general meeting, such other sources as the Board determines.

5.1.2 All money by the Association shall be deposited as soon as practicable and without deduction to the credit of the Association's bank account.

5.1.3 The Association shall as soon as possible after receiving any money, issue an appropriate receipt.

5.2 MANAGING OF FUNDS

5.2.1 Subject to any resolution passed by the Association in general meeting, the funds of the Association shall be used in pursuance of the objects of the Association in such manner as the Board determines.

5.2.2 All cheques, drafts, bill of exchange, promissory notes and other negotiable instruments shall be signed by any two 2 members of the Board or employees of the Association, being member employees authorized to do so by the Board.

5.3 ALTERATION OF OBJECTS, PURPOSE AND RULES

The objects and the purposes of the Association[other than those stated at Rule 1.2(b) and 1.2(c) and these Rules may be altered, rescinded or added to only by a special resolution of the Association.

5.4 AUDITS AND ACCOUNTS

5.4.1 The financial affairs of the Association shall be audited at least once in every period of 12 months by the auditor appointed by the Annual General Meeting.

The auditor shall;

- (a) certify to the correctness of the financial statement or the profit and loss account; and;
- (b) have free access to all books of accounts and records of the Association; and
- (c) inspect and audit the accounts and records of financial transactions and draw the attention to the Board to any irregularities; and
- (b) state in his or her own opinion;
 - (i) whether the financial statement or the profit and loss account are properly drawn up so as to give a fair view of the Association's financial affairs
 - (ii) that the books of accounts and other records examined by him or her have been properly kept; and;
 - (iii) that he or she has obtained all the information and explanations that he or she required.

5.4.2 The Auditor may be removed from the office by a special resolution of the Association at a general meeting or at the expiration of his or her tenure of office.

5.5 COMMON SEAL

5.5.1 The common seal of the Association shall be kept in the custody of the secretary.

5.5.2 The common seal shall not be affixed to any instrument except by the authority of the Board and the affixing of the common seal shall be affected and counter-signed by either of two (2) members of the Board or of one (1) member of the Board and of the secretary.

5.5.3 The common seal of the Association shall;

- (a) bear the name of the Association in full;
- (b) shall state that it is the common seal; and
- (c) subject to the Act, be in a form, size, and shape as approved by the Board from time to time.

5.6 CUSTODY OF BOOKS

Except as otherwise provided by these Rules, the Secretary shall keep in his or her custody or under his or her control all records, books and other documents relating to the Association.

5.7 INSPECTING BOOKS

The records, books and other documents of the Association shall be open to inspection, free of charge, by a member of the Association at any reasonable hours on a business day.

5.8 SERVING OF NOTICE

5.8.1 For the purposes of these Rules, a notice may be served by or on behalf of the Association upon any member either personally or by sending it by post to the member at the members address shown in the register of members.

5.8.2 Where a document is sent to a person by properly addressing, prepaying and posting to the person a letter containing the document, the document shall, unless the contrary is provided, be deemed for the purposes of the Rules to have been served on the person at the time at which the letter would have been delivered in the ordinary course of the post.

5.9 EQUAL OPPORTUNITY POLICY

The Association will endeavor to ensure that all positions in the organization will be equally distributed among males and females.

PART .6. MISCELLANOUS

6.1 INTERPRETATION OF THE CONSTITUTION

The Association shall be the sole authority for the interpretation of this Constitution and of the by-laws made there under and the decision of the Association upon any question of interpretation or upon any matter affecting the Association and not provided for by this Constitution, or any by-laws made under it shall be final and binding.

6.2 INDEMNIFICATION

The Association shall to the extent legal and indemnifies any person who was or is a party or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding to procure a judgment in its favor by reason of the fact that he or she was or is a representative of the Association, or is or was serving at the request of the Association.

6.3 WINDING UP

Upon winding up the members of the Association shall not be held liable for the debts of the Association and in the process of winding up the following shall apply;

- (a) The Association shall be wound up whenever a Special Resolution as defined by the Association Incorporation Act Chapter 42 is passed requiring the Association to wound up voluntarily.
- (b) If upon winding wind up or dissolution of the Association there remains after the satisfaction of the debts and liabilities any surplus assets or property whatever then such surplus assets or property shall not be sold or distributed amongst the members of the Association but shall be given to or transferred to some other institution having

objects similar to this Association or a Charitable Organization. Such organization or institution is to be determined by the members of the Association at the Special Meeting held for the purpose of winding up or dissolution of the Association.

APPENDIX 1

(RULE 5.1)

APPLICATION FOR MEMBERSHIP OF ASSOCIATION

..... Landowners Association incorporated under Association Incorporation Act, I

.....
(full name of the applicant)

Of

.....
(address)

.....
(occupation)

Hereby apply to become a member of the above named incorporation Association. In the event of my admission as a member, I agree to be bound by the Rules of the Association for the time being in force.

.....
(Signature of Applicant)

Date:.....

I.....a member of the Association
(full name)

Second the nomination of the applicant, who is personally known to me, for membership.

.....
(Signature of Secoded)

Date:.....

APPENDIX 2

(RULE 5.1)

APPLICATION FOR MEMBERSHIP OF ASSOCIATION

I

.....
(full name of the applicant)

Of

.....
(address)

being a member of Landowners Association Inc

Hereby appoint

.....
(full name of proxy)

Of
(address)

Being a member of that Association, as my proxy to vote for me on my behalf at the annual general meeting of the Association (annual general meeting, as the case maybe) to be held on theday of20.....and any adjournment of that meeting.

- May proxy is authorized to vote in favor of/against (delete as appropriate) the resolution (insert detail).
- To be inserted if desired.

.....
Signature of member
appointing proxy

Date:.....

NOTE: A proxy may not be given to a person who is not a member of the Association.