

The Cook Islands Yacht Squadron Incorporated

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The Rules of

The Cook Islands Yacht Squadron Incorporated

1. Article 1 – Name

The name of the society is The Cook Islands Yacht Squadron Incorporated ("CIYS").

2. Article 2 – Objects

The objects of CIYS are:

- 2.1 To facilitate and promote registration of yachts in the Cook Islands
- 2.2 To represent where appropriate, yachting and boating on a national and international basis.
- 2.3 To promote and control the representation of Cook Island yachts and sailors at international regattas.
- 2.3 To apply for and obtain status as a Member of the International Sailing Federation Limited ("ISAF") and other international bodies.

3. Article 3 – Powers

- 3.1 CIYS shall have power to do all such lawful acts and things as are incidental or conducive to the attainment of the above-mentioned objects or any of them or any other objects which CIYS may from time to time establish, including (without limitation) the following:
 - (a) To enter into any contracts, agreements or arrangements with any person, firm, syndicate, corporation or company CIYS may deem conducive to any of the objects of CIYS
 - (b) To use the funds of CIYS in such manner as may be considered necessary or proper in carrying out its objects.
 - (c) To purchase, take on lease or otherwise acquire upon such terms as CIYS may think fit any real or personal property and any rights or privileges either necessary or convenient for the promotion of its objects, and to sell, lease, exchange, mortgage or otherwise deal with and dispose of such property rights or privileges.
 - (d) To borrow or raise money by the issue of mortgages, bonds or any other securities over all or any of the real or personal property of CIYS or without any such security and upon such terms as to repayment or otherwise as CIYS shall think fit.



4. Article 4 – Members – Number and Categories

- 4.1 The number of members of CIYS is not limited.
- 4.2 The following individuals and other entities are eligible to apply for membership of CIYS
- (a) Individuals or entities that own yachts (whether power or sailing) that fulfill the requirements for registration in the Cook Islands.
 - (b) The owners of yachts that are currently registered in the Cook Islands
 - (c) Cook Islanders and Cook Islands Residents
 - (d) Other individuals or entities as prescribed from time to time by the Board.
- 4.3 Maritime Cook Island Limited shall be the founding member of CIYS.
- 4.4 Nothing in this Article confers on any Individual or entity the right to membership. Membership rights arise only after an application for membership has been accepted and, subject always to Article 7, will continue only so long as the member meets such requirements as CIYS shall specify from time to time for each category of membership.

5. Article 5 – Admission of Members

- 5.1 Applications for membership shall be made in writing to the Chief Executive and shall be accompanied by such particulars as may be required by the Board.

6. Article 6 – Obligations of Members

- 6.1 It shall be the obligation of all members of CIYS:
- (a) to promote the objects, interest and influence of CIYS;
 - (b) to recognise and respect the rules, regulations and decisions of CIYS;

7. Article 7 – Suspension of Membership and Expulsion

- 7.1 Any member desirous of resigning from CIYS shall notify the member's intention in writing to the Chief Executive on or before the last day of the anniversary of their becoming members otherwise the member shall be liable for the annual subscription and all applicable levies for the next year following.
- 7.2 If the member is considered by the Chief Executive to be no longer capable of fulfilling its membership obligations or of continuing to satisfy the current criteria for admission to membership; provided that any member whose membership is so affected shall be given at

least 30 days notice of the meeting at which the expulsion will be considered and the grounds and reasons for the proposed resolution to expel that member and the member shall be entitled to offer an explanation and present submissions either orally or in writing before the resolution is put to the vote.

- 7.3 No member who remains in arrears in respect of any subscription or levy of CIYS one month after demand shall be entitled to attend or vote at general meetings of the members of CIYS nor shall that member be entitled to organise any regattas, races, meetings or events involving yachts or to representation at or participation in such regattas, races, meetings or other events organised by or on behalf of any other member of CIYS until such member shall have paid all amounts due or until CIYS has made special arrangements with that member for the payment or waiver of all or part of the said arrears.
- 7.4 Any member who remains in arrears in respect of any subscription or levy of CIYS six months after demand shall be deemed to have engaged in injurious conduct and shall be liable to expulsion under Articles 7.2 and 7.3 of this Article provided however that any such member shall be automatically reinstated, subject to the member complying with all other requirements for membership, upon payment of all such arrears then owing to CIYS.

8. Article 8 – Subscription and Levies

- 8.1 CIYS's financial year shall end on the 30th December in every year.
- 8.2 CIYS shall be entitled to raise funds by way of annual subscriptions and special levies to be paid by the members.
- 8.3 The amount of the annual subscription and any special levy or levies may vary for each category of member, and (other than levies raised by the Council under Article 11.11) shall be fixed by resolution of the Board of CIYS.
- 8.5 Annual subscriptions and levies for the financial year commencing on 1 January shall become due and payable on the 1st day of June of that year or at any other time or times specified in the resolution which fixed them.

9. Article 9 – Privileges of Membership

- 9.1 All members shall be entitled to:
- (a) Registration of their vessel in the Cook Islands Ships Registry;
 - (b) Receive notice of and attend general meetings;
 - (c) Receive copies of the minutes of general meetings and have access to all reports presented.

9.2 The only members entitled to vote at any general meeting are:

- (a) Individuals; and
- (b) Other entities, with supporting resolutions of their controlling body.
- (c) The founding member.

9.3 A member other than an Individual wishing to attend any general meeting of CIYS must appoint in writing, using a form approved by the Board for the purpose, a delegate or representative to attend on its behalf and to exercise all its rights(if any) to vote. A true copy of any such appointment shall be delivered to the chair of the meeting prior to the opening of the meeting. An appointment for a general meeting of members shall be valid for that meeting alone and any adjournment or reconvening of that meeting.

10. Article 10 – Governance

10.1 Except where these rules expressly provides otherwise, the affairs of CIYS shall be under the control and management of the Board which may have regard to (but without being bound by) any advice or recommendations made to it by the members in general meeting.

11. Article 11 – Board of Directors and its Proceedings

11.1 The Board of Directors ("the Board") shall consist of no more than four persons comprising:

- (a) the President; appointed by Maritime Cook Islands
- (b) the Registrar of Ships;
- (c) up to two elected directors.

11.2 The Board shall cause proper books of account to be kept of income and expenditure and of all dealings with the assets and liabilities of CIYS.

11.3 The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they may think fit, including by holding video-conference or audio-conference meetings. Any resolution or decision of the Board recorded in writing and which all directors shall have signed or given his or her written assent to shall be as valid and effectual as a resolution passed or a decision taken at a duly convened meeting of the Board.

11.4 The President or any one member of the Board may convene a meeting of the Board by notice in writing to the other Board members stating the business to be considered.



- 11.5 Three members of the Board shall form a quorum for its meetings, one of whom must be the President.
- 11.6 Questions arising at any meeting shall be decided by a 75% majority.
- 11.7 The President shall chair meetings of the Board but if he or she is not in attendance at any meeting of the Board, then the members of the Board who are in attendance shall choose one of their number to be the chairman of such meeting.
- 11.8 The Board shall cause proper minutes to be made of all its proceedings and shall maintain a record of attendances by Board members.
- 11.9 The Board shall be responsible for the employment, direction and control of the Chief Executive.

12. Article 12 – CIYS Committees and Proceedings of the Committees

- 12.1 To assist the Board in formulating or implementing its management policies, the Board may from year to year establish or disband any number of portfolio committees ("Committees"). Such Committees shall be entitled to make recommendations to the Board on matters within their respective terms of reference but shall have no other powers except as are expressly delegated to them by the Board. The Board will from time to time determine the maximum number of members of each Committee, their terms of reference and the standing orders by which they conduct their business.
- 12.2 The Board shall, each year, by notice given to all members and posted on the Maritime Cook Islands Limited website at least 90 days before the next Annual General Meeting, call for nominations of persons who are desirous of being considered for appointment to the current Committees and to any new Committee which the Board proposes to establish. Nominations for Committee positions may be made by any member Yacht Club. The Board shall consider any nominations which it receives before the closing date it has specified in the notice but shall not be restricted to making appointments only from such nominees.
- 12.3 The Board shall appoint the members and select a Chairperson of each existing or new Committee for a term of one year and, except in the case of a member appointed to fill a casual vacancy (whose term of appointment will run until the next Annual General Meeting) all appointments shall take effect from the next Annual General Meeting.

13. Article 13 – Qualifications, Election and Appointments

- 13.1 Elections for the positions of the elected members of the Board shall be held every two years at the time of the Annual General Meeting. Candidates for these positions shall be nominated in writing. The nominations shall be delivered in writing to the Chief Executive at least 50 days before the Annual General Meeting, the date of which shall be posted on the Maritime Cook Islands Limited website at least 90 days ahead. If there is only one valid nomination for a position then the person so nominated shall be deemed to be elected as from the date of the Annual General Meeting. If no valid nominations are received by the

closing date the positions may be filled by candidates nominated by the President. If the number of nominations exceeds the number required then an election shall be held.

- 13.3 The President shall be appointed for a two-year term, and eligible to stand for re-election. However, no person shall hold the office for more than two consecutive two year terms.
- 13.4 Each member of the Board shall be appointed or elected for a two-year term.
- 13.5 The Chief Executive Officer shall be appointed by the Board on such terms and conditions as the Board thinks fit.
- 13.6 Vacancies occurring on the Board between Annual General Meetings may be filled by appointment by the Board but any such appointee shall retire, and may offer himself or herself for election, at the next Annual General Meeting.

14. Article 14 – General Meetings and Procedure at General Meetings

- 14.1 The Annual General Meeting of CIYS shall be held no later than 31st October in each year on such day and at such time and place as the Board shall determine. Notice of any resolution or nomination to be proposed at the Annual General Meeting or any other General Meeting shall be sent to the Chief Executive not later than 50 days before the meeting. The Notice of Meeting and any resolutions or nominations so proposed shall be sent to members and posted on the Maritime Cook Island website at least 30 clear days before the said meeting.
- 14.2 The Chief Executive shall call a Special General Meeting:
 - (a) whenever the Board considers such a meeting necessary, in which case the Board shall specify the matters to be considered at that meeting, or
 - (b) upon the requisition of no less than 80% of the members, the requisition to specify the matters to be considered at that meeting.
- 14.3 At all General Meetings the chair shall be taken by the President or in his or her absence the directors present shall choose one of their number to take the chair.
- 14.4 Each member shall have a single vote.
- 14.5 The ruling of the person chairing the meeting shall be final and binding.
- 14.6 No business shall be transacted at any General Meeting unless there is a quorum of 80% of members present by representative and the meeting is attended by the founding member.
- 14.7 Every question shall be determined by a majority of votes unless otherwise expressly provided by these rules. In the event of an equality of votes, the chairperson of the meeting shall be entitled to a vote.

- 14.8 A resolution put to the vote of the meeting may be decided on the voices or by a show of hands.

15. Article 15 – Amendments

- 15.1 Notice of any alteration or addition to the rules may be proposed by the Board and shall be given to the Chief Executive in writing at least 90 days before any General Meeting at which the same is to be put forward. Full particulars of all such alterations or additions shall be sent to members with the notice convening the meeting, and shall be posted on the Maritime Cook Islands Limited website.
- 15.2 Any proposed alteration or addition to the rules shall be put to the vote of the meeting and shall be deemed to have been carried if on a show of hands or by poll (if demanded) it is approved by majority of 80% of the votes of those members entitled to vote and voting thereon, and subject always to the approval of the founding member.

16. Article 16 – Notices

- 16.1 A notice or any other document may be served by CIYS upon any member either personally or by facsimile or by email or by mail at or to the member's last known address. The accidental omission to give such notice or other document to, or the non-receipt of such notice or other document by, any member shall not invalidate any resolutions passed or election or appointment made which is connected therewith.
- 16.2 The Board, after consulting the Chief Executive, shall decide whether an omission as described in Article 16.1 can be described as accidental and its decision shall be final.
- 16.3 All members of CIYS shall promptly notify the Chief Executive of their current address for mail, facsimile and email.

17. Article 17 – Registered Office

- 17.1 The registered office of CIYS shall be at such place as shall from time to time be determined by the Board of Directors.

18. Article 18 – Common Seal

- 18.1 The affixing of the Common Seal shall be minuted and attested by the President and one other Director provided that if it is impracticable for the President to attest the same then it shall be lawful for two Directors to do so. The Common Seal shall be kept in the custody of the Chief Executive.

19. Article 19 – Control and Investment of CIYS Funds

- 19.1 The income and property of CIYS from whatever source derived shall be applied, invested and controlled in such manner as may be determined by the Board provided that no portion of the funds shall be paid or transferred directly or indirectly by way of dividend, bonus or



otherwise to members of CIYS or any director or member of the Council except by way of salary to pay an officer or by way of gratuity to an honorary officer or by way of repayment of monies with or without interest advanced to CIYS by a member or members, or by way of reimbursement of reasonable expenses incurred on behalf of CIYS with the authority of the Board.

20. Article 20 – Regulations

20.1 The Board may from time to time adopt regulations to carry out the objects of CIYS as set out in the rules. Such regulations shall be in accordance with, and subservient to, the rules.

21. Article 21 – Pennant

21.1 All members' vessels shall be entitled to fly the pennant of CIYS, the form and design of which shall be prescribed by the Board .

22. Article 22 – Patron

22.1 The Queen of the Cook Islands (for the time being) shall be the Patron of the CIYS.

23. Article 23 (Spare)

24. Article 24 (Spare)

25. Article 25 – Interpretation

25.1 Unless in conflict with the context, words importing the singular shall include the plural, words importing the masculine shall include the feminine.

26. Article 26 – Dissolution

26.1 If upon the winding up or dissolution of CIYS whether by the Registrar of Incorporated Societies or otherwise there remains after satisfaction of all its debts and liabilities any property whatsoever the same shall not be paid to or distributed among the members of CIYS, but shall be given or transferred either to Maritime Cook Islands Limited or as directed or determined by the High Court of Cook Islands.

27. Article 27 – Transitional Provisions

27.1 These rules were adopted at the inaugural Annual General Meeting of CIYS held on 31 July 2006.

27.2 For the purpose of clauses 14.3 and 14.4, the President who holds office on the date of adoption of these rules shall be deemed to have been elected on 31 July 2006 for a two - year term expiring at the 2008 Annual General Meeting, subject always to clause 14.5 in the case of the directors.

- 27.2 The owner of a yacht vessel registered on the Cook Islands Ship's Register and in good standing as at 31 July 2006, shall be deemed to be members of the CIYS with effect from that date.

END

REGISTERED AT RAROTONGA, COOK ISLANDS
THIS 21 DAY OF September 2006


DEPUTY/REGISTRAR OF INCORPORATED SOCIETIES



APPLICATION FOR INCORPORATIONNAME: COOK ISLANDS YACHT SQUADRON Inc.

We, the several persons whose names are subscribed hereto, being members of the above-mentioned society hereby makes application for the Incorporation of the society under the foregoing rules, in accordance with the Incorporated Societies Act, 1994.

DATED: this 28th day of August 20 06.

APPLICANT	WITNESS
Signature, Occupation, Address	Signature, Occupation, Address
1. <u>Joe Vakatinu</u> <u>MAKEN VAKATINI TIKI</u> <u>John Tansley</u>	<u>[Signature]</u> <u>Company Muri</u> <u>Director Rarotonga</u>
2. <u>[Signature]</u> <u>Legal Assoc Rarotonga</u> <u>Don Beer</u>	<u>[Signature]</u> <u>to Director Rarotonga</u>
3. <u>[Signature]</u> <u>GOV DIRECTOR</u>	<u>[Signature]</u> <u>to Director Rarotonga</u>
4. <u>[Signature]</u> <u>Director, Kiri Kiri</u> <u>Mike Mitchell</u>	<u>[Signature]</u> <u>to Director Rarotonga</u>
5. <u>[Signature]</u> <u>Silvina</u> <u>Alison Davidson</u>	<u>[Signature]</u> <u>to Director Rarotonga</u>
6. <u>[Signature]</u> <u>Tupapa</u> <u>Manager</u> <u>Mark</u>	<u>[Signature]</u> <u>to Director Rarotonga</u>
7. <u>[Signature]</u> <u>Ararangi</u> <u>Fleet Manager</u> <u>Bill Carrothers</u>	<u>[Signature]</u> <u>to Director Rarotonga</u>
8. <u>BILL CARROTHERS</u> <u>TUPAPA DIRECTOR</u>	<u>[Signature]</u> <u>to Director Rarotonga</u>
9. <u>Joe Alio</u> <u>Tikioki Manager</u> <u>Chris Douglas</u>	<u>[Signature]</u> <u>Manager Rualonga</u> <u>Chris Douglas</u>
10. <u>[Signature]</u> <u>Manager Arorangi</u>	<u>[Signature]</u> <u>Manager Rualonga</u> <u>Chris Douglas</u>
11. <u>[Signature]</u> <u>RENE QUIJANO</u> <u>ACCOUNTANT, RUAATONGA</u>	<u>[Signature]</u> <u>Manager Rualonga</u>
12. <u>[Signature]</u> <u>JACK COOK</u> <u>Tegree JACK</u>	<u>[Signature]</u> <u>Director</u>
13. <u>[Signature]</u> <u>Chris Douglas</u> <u>Manager</u>	<u>[Signature]</u> <u>Manager Rualonga</u>
14. <u>[Signature]</u> <u>AIRCRAFT P.O. BOX 79</u>	<u>[Signature]</u> <u>AIRCRAFT P.O. BOX 79</u>
15. <u>[Signature]</u> <u>AIRCRAFT P.O. BOX 79</u>	<u>[Signature]</u> <u>AIRCRAFT P.O. BOX 79</u>

TWO copies of this application are required. Members should sign the same place in each copy. A witness may not be a signatory.

