

## **New Zealand Venture Capital Association Incorporated**

**Minutes of Annual General Meeting held at the Offices of Ernst & Young, 41 Shortland, Auckland on Thursday 4 September 2003 at 4.30pm**

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1. The Chairman declared the meeting open and duly constituted as a quorum was present.

### **2. Notice of Meeting**

The Notice of Meeting distributed at the meeting was taken as read.

### **3. Apologies**

Apologies were received from Peter Allport and Mark Edwards, No. 8 Ventures, Andrew Kelly of Celentis, Wayne Hudson of Bell Gully, Chris Morrison of Todd Capital, Karen Barrett of the National Bank, Mike Bradley of ANZ Private Equity, Peter Hinton of Simpson Grierson and Mike Trousselot of the West Coast Development Trust.

## **4. Special Business**

### **Resolution 1**

The Chairman advised the meeting that the Council, in conjunction with Ernst & Young, had been reviewing the tax status of the Association and had decided that it may be beneficial, from a tax perspective, for the Association to amend its objects to better reflect the wide range of stakeholders which it represents. The Chairman also advised the meeting that the Council's review was ongoing and that further changes to the Constitution and Rules of the Association (including possible changes to the Objects clause) may be recommended to members in the near future. The Council would keep members informed of progress in this respect.

The Chairman further advised the meeting that to change the objects of the Association would require a Special Resolution to be passed amending the Association's Constitution and Rules and sought approval from the meeting to put such a motion. Those present at the meeting unanimously endorsed the Chairman's recommendation that the motion be considered by the meeting. Accordingly, the Chairman moved:

*"That the Constitution and Rules of the Association (the Constitution and Rules) be altered by replacing Rule 1.4 ("Object"):*

*"The object for which the Association is established is the development of the venture capital industry in New Zealand".*

*with the revised Rule 1.4 Object:*

*"The object for which the Association is established is the development of the venture capital and private equity industry for the benefit of business owners and managers, investors, professional advisors and other venture capital and private equity practitioners and participants in the New Zealand economy as a whole".*

The motion was seconded by Tim Russell and put to the meeting. It was carried unanimously.

### **Resolution 2**

The Chairman advised the meeting that the Council would look to keep the Constitution and Rules as updated as possible, including in respect of terminology and language in common use. Accordingly, the Council recommended that the words "profit and loss account" and "balance sheet" in Rule 5.1 of the

Constitution and Rules be replaced with the words "Statement of Financial Performance" and "Statement of Financial Position" respectively.

The Chairman further advised the meeting that to change Rule 5.1 of the Association would require a Special Resolution to be passed amending the Association's Constitution and Rules and sought approval from the meeting to put such a motion. Those present at the meeting unanimously endorsed the Chairman's recommendation that the motion be considered by the meeting. Accordingly, the Chairman moved:

*"That the words "profit and loss account" and "balance sheet" in Rule 5.1 of the Constitution and Rules be replaced with the words "Statement of Financial Performance" and "Statement of Financial Position" respectively."*

The motion was seconded by Gavin Lonergan and put to the meeting. It was carried unanimously.

### **Resolution 3**

The Chairman advised the meeting that, following the appointment of an Executive Director, the Council believed that it was appropriate to include specific reference to the Executive Director in relevant parts of the Constitution and Rules. The first of these amendments involved providing a definition of the Executive Director role within the Interpretation section of the Association's Constitution and Rules.

The Chairman further advised the meeting that to change the Interpretation section of the Constitution and Rules of the Association would require a Special Resolution to be passed amending the Association's Constitution and Rules and sought approval from the meeting to put such a motion. Those present at the meeting unanimously endorsed the Chairman's recommendation that the motion be considered by the meeting. Accordingly, the Chairman moved:

*"That the following definition is included in Rule 1.1 ("Interpretation") of the Constitution and Rules:*

*"Executive Director" means the executive director of the Association from time to time appointed by the Council in accordance with these Constitution and Rules."*

The motion was seconded by Andrew Lewis and put to the meeting. It was carried unanimously.

### **Resolution 4**

The Chairman further advised that the Council believed that it was appropriate that the Executive Director and the Chairperson of the Association have the ability, if so delegated by the Council, to approve applications for membership of the Association. The Chairman noted that this could be achieved by making an amendment to the existing Rule 2.5 (b) of the Association's Constitution and Rules.

The Chairman further advised the meeting that to change Rule 2.5 (b) of the Association would require a Special Resolution to be passed amending the Association's Constitution and Rules and sought approval from the meeting to put such a motion. Those present at the meeting unanimously endorsed the Chairman's recommendation that the motion be considered by the meeting. Accordingly, the Chairman moved:

*"That Rule 2.5 (b) of the Constitution and Rules relating to application for membership is amended by adding a new sub-clause 2.5 (b) (ii) as follows:*

*"2.5 (b) Council consideration*

- (i) All applications may be considered by the Council and shall be approved by a simple majority of the Council present and voting;*

- (ii) *Notwithstanding Rule 2.5 (b) (i) the Council may delegate the approval of applications for membership to the Executive Director and the chairperson of the Council to be decided upon collectively.”*

The motion was seconded by Gavin Lonergan and put to the meeting. It was carried unanimously.

#### **Resolution 5**

The Chairman advised the meeting that the Council believed that it was appropriate to clarify the Executive Director's role in respect of Council meetings and to record the fact that the Executive Director does not have a right to vote. The Chairman noted that this could be achieved by making an amendment to the existing Rule 4.2 of the Association's Constitution and Rules.

The Chairman further advised the meeting that to change Rule 4.2 of the Association would require a Special Resolution to be passed amending the Association's Constitution and Rules and sought approval from the meeting to put such a motion. Those present at the meeting unanimously endorsed the Chairman's recommendation that the motion be considered by the meeting. Accordingly, the Chairman moved:

*“That Rule 4.2 relating to the number of Council Members is amended by adding the following additional wording at the end of the current Rule as follows:*

*“In addition to the ten (10) Council Members, the person filling the unelected role of Executive Director may be invited by the chairperson of the Council to attend Council meetings but will not be entitled to vote at such Council meetings.”*

The motion was seconded by Andrew Lewis and put to the meeting. It was carried unanimously.

## **5. Ordinary Business**

- (a) The Chairman read the appended Report of the Council to the meeting. Following this, Gavin Lonergan thanked Phil Norman, on behalf of the NZVCA Council and its members, for his committed and excellent work for the NZVCA as its chairperson over the last two years.
- (b) The Association's Financial Statements for the year ended 31 March 2003 were tabled for the information of the meeting. The Chairman referred to the summary of the Financial Statements in the Report of the Council.

The Chairman moved that the Report of the Council and the Financial Statements for the year ended 31 March 2002 be adopted.

The motion was seconded by Gavin Lonergan and put to the meeting. It was carried unanimously.

- (c) The Chairman gave a summary of the auditors' report and moved “That the Auditors' report for the Financial Statements for the year ended 31 March 2003 be adopted”.

The motion was seconded by Jon Hooper and put to the meeting. It was carried unanimously.

The Chairman advised the meeting that, pursuant to the Association's Constitution and Rules, office holders must retire each year. During the 2002/2003 year, there were two office holders, namely the Chairman, Phil Norman, and the Secretary/Treasurer, Graeme Leversha. Accordingly, both retired in accordance with the Constitution and Rules. The Chairman noted that he was not seeking re-election but that Graeme Leversha had offered himself for re-election.

The Chairman advised the meeting that the newly constituted Council would be responsible for appointing a Chairman and Treasurer as soon as possible after the AGM.

The Association's Constitution and Rules also require that at least half of the non-office bearing Council Members must retire each year. Accordingly, Phil Norman Peter Allport, Mike Bradley, John Cunningham and Tim Russell all retired in accordance with the Constitution and Rules and would not be seeking re-election. Gavin Lonergan also retired in accordance with the Constitution and Rules but was seeking re-election. In addition, the Chairman noted that Ian McInnes had resigned from the Council in July 2003 and was not seeking re-election.

The Chairman reminded the meeting that Peter Hinton of Simpson Grierson and Jon Hooper of Ernst & Young remained on the Council for 2003/2004 as they were not required to offer themselves for re-election.

The Chairman advised the meeting that nine nominations for Council positions had been received and outlined the following summary regarding the Council member election process:

<b>Council member/Nominee name</b>	<b>Member firm</b>
<b>Standing down and not seeking re-election</b>	
Phil Norman (Chairman)	Cue Capital
Ian McInnes (Resigned July 2003)	Orion Ventures
Mike Bradley	ANZ Private Equity
John Cunningham	Ignition Partners
Peter Allport	No.8 Ventures
Tim Russell	Deloitte Touche
<b>Standing down and seeking re-election</b>	
Gavin Lonergan	Direct Capital Private Equity
Graeme Leversha	Laurium House
<b>Nominations received for new Council members</b>	
Tony Bishop	iGlobe Treasury
Steve Byrom	ANZ Private Equity
Steve Corbett	NZ Incubator Association
Mark Dossor	Endeavour Capital
Martin Turner	AMP Henderson Private Capital
Mark Edwards	No.8 Ventures
Brent Lawgun	JBWere Private Equity
<b>Remaining as Council members</b>	
Jon Hooper	Ernst & Young
Peter Hinton	Simpson Grierson

The Chairman advised the meeting that, in accordance with the Constitution and Rules, the election of Council members would be conducted by way of ballot. The Chairman reminded the meeting that each member was entitled to one vote and instructed members to complete the ballot forms provided at the meeting. In addition, the Chairman referred members to the brief biographies on each of the candidates attached to the ballot form. The Chairman explained that each ballot form contained the names of all the Council member candidates in alphabetical order and that members were entitled to indicate their vote, on the forms provided, for any number of such candidates not exceeding the eight vacancies for Council membership.

The Chairman advised the meeting that Christopher Twiss and Tim Russell (as proxy for the Auditors) would be collecting the completed ballot forms and acting as scrutinisers to count the votes and that the result of the ballot would be advised to the all of the candidates and other members following the meeting.

Christopher Twiss and Tim Russell collected completed ballot forms from members at the meeting and left the room to conduct a count of these..

The Chairman noted that Deloitte Touche Tohmatsu had carried out the Association's 2002/2003 audit and that they had agreed to act as auditor again for the 2003/2004 fiscal year.

The Chairman moved that Deloitte Touche Tohmatsu be appointed as the Association's auditor for the year ended March 2004.

The motion was seconded by Jon Hooper and put to the meeting. It was carried unanimously

The Association's Constitution and Rules require that the membership fees are set each year at the Annual General Meeting.

*The Chairman advised the meeting that the Council recommended that the 2003/2004 membership fees remain unchanged from 2002/2003 and moved that they stay at this level, namely:*

a. Full members	\$2,500
b. Associate members	\$1,200
c. Incubators	\$400
d. Individuals and angel investors	\$200

The motion was seconded by Gavin Lonergan and put to the meeting. It was passed unanimously.

## 5. Further business

There was no further business notified to the meeting in accordance with the Constitution and Rules.

## 6. Close

The Chairman declared the meeting closed at 5.15pm and thanked all present for their attendance.

**Signed as a true record:**

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**Martin Turner, Chairman**

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**Date**