

CIRCULAR 1908

TO: CLUBS AND KINDRED BODIES

FROM: HRNZ BOARD

DATE: 23 MAY 2019

SUBJECT: NOTICE OF SPECIAL GENERAL MEETING

Under clause 8 (5) of Constitution of Harness Racing New Zealand, the Board has directed the Chief Executive to convene a Special General Meeting to vote on amendments to the Constitution to provide a new governance structure for Harness Racing New Zealand.

A Special General Meeting will be held on **Wednesday 26 June 2019 at 11.00 am** at **Harness Racing New Zealand Incorporated offices at 17 Birmingham Drive, Christchurch**. Clubs can appoint a proxy or dial into the Special General Meeting, instead of attending the meeting in person.

The resolution to be considered at the Special General Meeting is to amend the Constitution as set out in the remit attached to this circular.

Explanation

Following the 2018 Annual Conference, agreement was received from the totalisator clubs for the HRNZ Board to review the governance structure, and to present their preferred option in detail at a Special General Meeting.

Under the proposed governance model there will be a Board of eight persons comprising of:

-) Four members - elected by the totalisator clubs and kindred bodies (excluding ATC/NZMTC who will not vote for these members);
-) One appointed by each of Auckland Trotting Club (ATC) and New Zealand Metropolitan Trotting Club (NZMTC);
-) Two independent members – appointed by an Independent Appointment Committee.

In the election by the eligible clubs and kindred bodies each totalisator club or kindred body may nominate one or more persons for election, and must vote for one nominee where there is one pending vacancy, or two nominees where there are two pending vacancies. The nominee(s) with the highest number of votes is elected and in the case of a draw the successful candidate will be determined by lot.

It is also proposed that the voting mechanism be amended so that each totalisator club (excluding ATC/NZMTC) or kindred body has one vote per vacancy. This voting is not based on betting licences.

The Independent Appointment Committee will comprise:

-) One person representing HRNZ appointed by the new Board;
-) One person appointed by the Board who has expertise in governance recruitment;
-) One person appointed by the New Zealand Racing Board, or equivalent regulatory authority.

The term of office will, subject to the transitional provisions, be three years for all Board members. A maximum time to serve on the Board is nine years, from the date of the new governance model being implemented.

Transitional Provisions

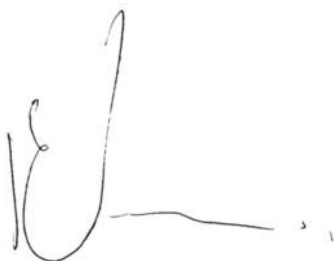
In 2019 the ATC and NZMTC will each appoint a member to the Board and there will be an election of four persons by the totalisator clubs and kindred bodies (excluding ATC/NZMTC). In this election the totalisator clubs must vote for four nominees. The proposed timetable is:

-) nominations called for by 1 July 2019
-) list of nominees advised to the totalisator clubs and voting commences on 10 July 2019
-) voting concludes by 26 July 2019
-) election concludes by 9 August 2019
-) notification by ATC and the NZMTC of their appointed person by 9 August 2019

The current Board will resign at the conclusion of the 2019 Annual General Meeting.

The new Board may appoint up to two interim independent members who will hold office until their replacements are appointed by the Independent Appointment Committee.

One member elected by the totalisator clubs and either the member appointed by the ATC or NZMTC will resign as members of the Board after the conclusion of the AGM in their first year of office. One member elected by the totalisator clubs, one of the appointed independent Board members, and the member appointed by the ATC or NZMTC that did not resign at the end of the first year, shall resign after the conclusion of the AGM in their second year of office. The elected members who initially serve one, two or three years will be decided by the Board as will the independent member who will retire in their second year of office.



Peter Jensen
Chief Executive

REMIT

The Constitution of Harness Racing New Zealand Incorporated be amended by:

- a. Inserting in clause 2.1 a definition for New Zealand Racing Board that states:

New Zealand Racing Board means the New Zealand Racing Board established under the Racing Act 2003 and any body that replaces the New Zealand Racing Board under that Act or any Act that replaces the Racing Act 2003.

- b. Revoking clauses 10.1 to 10.39 and inserting the following new clauses:

10. THE BOARD

Composition of the Board

10.1 The Board of HRNZ shall comprise eight persons elected or appointed as follows:

10.1.1 Four persons elected by the totalisator clubs, other than the Auckland Trotting Club Incorporated and the New Zealand Metropolitan Trotting Club Incorporated, and the kindred bodies.

10.1.2 One person appointed by the Auckland Trotting Club Incorporated.

10.1.3 One person appointed by the New Zealand Metropolitan Trotting Club Incorporated; and

10.1.4 Two independent members appointed by the Independent Appointment Committee.

Eligibility for election or appointment

10.2 A person is not eligible to be elected or appointed as or continue to be a member of the Board who:

10.2.1 Is a paid official of HRNZ;

10.2.2 Has at any time been or is disqualified for any serious racing offence under the Rules, the Rules of Racing or a corrupt practice under the former New Zealand Rules of Harness Racing, Rules of Racing or any equivalent rules of any recognised Harness Racing Club, Racing Club, Authority or Body in New Zealand or any country;

10.2.3 Has at any time been convicted of an offence or crime referred to in Schedule 1 of the rules made pursuant to s 34 of the Racing Act 2003;

10.2.4 Has at any time been struck off the role of a professional body or had their name removed from the register of a professional body;

10.2.5 Has from the 2019 Annual General meeting of HRNZ has been a member of the Board for a total of nine years either consecutively or otherwise, unless approved by special resolution of HRNZ.

Nominations for and election of persons by totalisator clubs and kindred bodies

Nominations

10.3 The Chief Executive shall notify the totalisator clubs and kindred bodies of the number of pending vacancies that year to be filled by the nomination and election of Board members by totalisator clubs and kindred bodies.

10.4 In the month of July each year, or such other date as the Board decides, a totalisator club (other than the Auckland Trotting Club Incorporated and the New Zealand Metropolitan Trotting Club Incorporated) and each kindred body may nominate one or more eligible person for nomination as member of the Board.

- 10.5 A nomination must be in writing, signed by the chairperson and the secretary of the nominating club or kindred body (or persons of equivalent office), and by the person nominated.
- 10.6 A nomination must be received by the Chief Executive not later than 4:00 pm on 20 July in the applicable year, or such other time and date as the Board decides.
- 10.7 If the number of nominations received by the Chief Executive do not exceed the number of pending vacancies the candidates nominated shall be declared elected.
- 10.8 If no nominations are received, or the number of nominations is fewer than the number of pending vacancies, the Board in office must appoint an eligible person as a member of the Board for each pending vacancy for which there is no nomination. Every person appointed by the Board is deemed to have been elected as a member of the Board by the totalisator clubs and kindred bodies.

Voting papers

- 10.9 If the number of persons nominated exceed the number of pending vacancies the Chief Executive shall prepare voting papers. The voting papers must include:
 - 10.9.1 The number of pending vacancies;
 - 10.9.2 The names of the nominees;
 - 10.9.3 The method(s) by which the voting may be submitted; and
 - 10.9.4 The time and date at which voting closes. If no date is set, voting closes at 4:00pm on 20 August in the applicable year.
- 10.10 The Board may approve one or more method by which voting may be completed and submitted.

- 10.11 The Chief Executive shall forward one voting paper to each totalisator club (except the Auckland Trotting Club Incorporated and the New Zealand Metropolitan Trotting Club Incorporated) and kindred body.
- 10.12 Each club entitled to vote, and each kindred body shall after receipt of the voting paper, by its committee or equivalent body, complete and submit its vote by one of the methods approved by the Board.
- 10.13 Each club and kindred body must vote where there is one pending vacancy for one nominee, or where there are two pending vacancies for two nominees.
- 10.14 The voting paper must be signed by the chairperson and the secretary of the club or kindred body (or persons of equivalent office) and returned to the Chief Executive on or before the date and time voting closes.
- 10.15 Any voting paper which is not completed, submitted by the method approved, signed by the chairperson and the secretary of the club or kindred body (or persons of equivalent office), or received by time and date voting closes is an informal vote.
- 10.16 If the number of nominees is reduced by withdrawal or otherwise to a number which does not exceed the number of pending vacancies before the counting of votes is commenced the remaining nominee(s) shall be declared elected.

Counting of votes

- 10.17 The Chief Executive is the returning officer and must fix a date for the counting of votes.
- 10.18 The Chief Executive may before the time and date voting closes appoint two scrutineers.
- 10.19 On the day fixed for the counting of votes the Returning Officer, in the presence of any scrutineers, shall receive the votes and after setting aside all informal votes

count the number of valid votes. Clause 2.2 shall not apply to the votes and each vote shall have a value of one (1).

- 10.20 The nominee, or nominees as the case may be, who receive the highest number of votes shall be deemed to be the duly elected member or members of the Board.
- 10.21 Where there is an equality of votes between nominees and the addition of a vote would entitle any of those nominees to be declared elected, the returning officer shall, in the presence of the scrutineers, determine by lot which nominee shall be elected.
- 10.22 The returning officer and the scrutineers shall report to the Board the result of the election, and the votes properly sealed shall be handed by the scrutineers to the returning officer who must retain them for three months and then destroy them including any electronic record of voting papers.
- 10.23 The Chief Executive shall publish the result of the election.

Appointed Board Members – Auckland Trotting Club Incorporated, New Zealand Metropolitan Trotting Club Incorporated, Independents

- 10.24 In any year the Auckland Trotting Club Incorporated may appoint a member to the Board year the Chief Executive Officer must before 4:00 pm on 20 August, or such other time and date as the Board decides, notify the Chief Executive the name of the person who has been appointed by the club in accordance with its constitution or rules as a member of the Board.
- 10.25 In any year the New Zealand Metropolitan Trotting Club Incorporated may appoint a member to the Board year the Chief Executive Officer must before 4:00 pm on 20 August, or such other time and date as the Board decides, notify the Chief Executive the name of the person who has been appointed by the club in accordance with its constitution or rules as a member of the Board.

Appointment by Independent Appointment Committee

- 10.26 When required, the Board shall establish an Independent Appointment Committee comprising:
- 10.26.1 one person representing HRNZ appointed by the Board;
 - 10.26.2 one person appointed by the Board who has expertise in governance recruitment; and
 - 10.26.3 one person appointed by the New Zealand Racing Board.
- 10.27 The Independent Appointment Committee shall call for applications and appoint the independent members of the Board.
- 10.28 In any year the Independent Appointments Committee may appoint a member to the Board the Chair of the Independent Appointment Committee must before 4:00 pm on 20 August, or such other time and date as the Board decides, notify the Chief Executive the name of the person(s) appointed by it as a member of the Board.

Failure to appoint

- 10.29 In the event the Chief Executive does not receive notification of the name of the person to be appointed under clause 10.24, 10.25, or 10.28 the Board shall appoint an eligible person as a member of the Board and every person so appointed is a duly appointed member of the Board.

Term of Appointment

- 10.30 Every person elected or appointed to be a member of the Board under this Constitution shall, subject to the provisions of this Constitution and unless he or she sooner vacates office, come into office from the conclusion of the Annual General Meeting of HRNZ at which he or she shall be declared to be duly elected or appointed.
- 10.31 A member of the Board must retire from office in at the conclusion of the Annual Meeting of HRNZ in their third year of office.

- 10.32 A member of the Board who retires under clause 10.31, may be re-elected or re-appointed providing they are not otherwise ineligible election or appointment.

Vacancies

- 10.33 The office of any member of the Board shall become vacant if they:
- 10.33.1 Resign in writing addressed to the Chief Executive;
 - 10.33.2 Are absent without leave of the Board for more than two successive Board meetings;
 - 10.33.3 Suffer from incapacity affecting performance of duty, neglect of duty, or misconduct, established to the satisfaction of the Board;
 - 10.33.4 Die or become ineligible to continue to hold office by reason of the fact that he or she has at any time been or is disqualified for any corrupt practice or serious racing offence as described under clause 10.2.2;
 - 10.33.5 Are removed from office by resolution of HRNZ; or
 - 10.33.6 Become bankrupt.
- 10.34 In any case where the Board grants to any member leave of absence for a period of more than three months, it may appoint a substitute for that member during such absence, provided that where the member was appointed by the Auckland Trotting Club Incorporated, the New Zealand Metropolitan Trotting Club Incorporated, or the Independent Appointment Committee the Board shall invite that club or committee to appoint a substitute member.
- 10.35 Whenever the office of any member of the Board becomes vacant the vacancy shall be filled:
- 10.35.1 Where the vacancy is of a Board member elected by the totalisator clubs and kindred bodies by the Chief Executive calling for nominations from the totalisator clubs and kindred bodies and clauses 10.3 to 10.23 shall apply with necessary modification.
 - 10.35.2 Where the vacancy is of a Board member appointed by Auckland Trotting Club, the New Zealand Metropolitan Trotting Club, or the Independent

Appointment Committee, or by the Board under clause 10.28 by the Chief Executive inviting the relevant club, or committee to appoint a new member to fill the vacancy by a date determined by the Board and clauses 10.24 to 10.28 shall apply with necessary modification.

- 10.36 A Board member elected or appointed under clause 10.35 shall remain in office for the remainder of the term of the vacating member.
- 10.37 No act, proceedings, determination or matter of the Board or of any person acting as a member of the Board shall be invalidated because of a vacancy in the membership of the Board at the time of the act, proceedings, determination or matter or because of the subsequent discovery that there was some defect in the election or appointment of any person so acting, or that he was incapable of acting or being a member.

Transitional Provisions

- 10.38 The members of the Board must retire at the conclusion of the 2019 Annual General Meeting.
- 10.39 Prior to the 2019 Annual General Meeting there shall be an:
- 10.39.1 election of four Board members by the totalisator clubs and kindred bodies;
 - 10.39.2 appointment of one Board member by the Auckland Trotting Club Incorporated; and
 - 10.39.3 appointment of one Board member by the New Zealand Metropolitan Trotting Club Incorporated.
- 10.40 Clauses 10.2 to 10.25, and clause 10.29 shall apply with necessary modification to the election and appointment of Board members under clause 10.39. For the avoidance of doubt in the voting papers for the election of four Board members by totalisator clubs entitled to vote and kindred bodies each club and kindred body must vote for four nominees.

- 10.41 Following the 2019 Annual General Meeting the persons elected or appointed under clause 10.39 may appoint up to two persons as interim independent members. The Independent Appointments Committee will then be convened to appoint two independent Board members. Following the appointment of the independent Board members the interim members must resign, unless they are subsequently appointed by the Independent Appointment Committee.
- 10.42 At the conclusion of the Annual General Meeting in the first year of their appointment under clause 10.39, one member elected by the totalisator clubs and either the member appointed by the Auckland Trotting Club Incorporated or New Zealand Metropolitan Trotting Club Incorporated, shall resign.
- 10.43 At the conclusion of the Annual General Meeting in the second year of their appointment under clause 10.39, one member elected by the totalisator clubs, one of the appointed independent Board members, and the member appointed by the Auckland Trotting Club Incorporated or the New Zealand Metropolitan Trotting Club Incorporated that has not resigned under clause 10.42, shall resign.
- 10.44 At the conclusion of the Annual General Meeting in the third year of their appointment under clause 10.39, two members elected by the totalisator clubs, and one of the appointed independent Board members, shall resign.
- 10.45 For the avoidance of doubt clause 10.30 is subject to clauses 10.42 and 10.43.
- 10.46 The Board shall decide the Board members elected by the totalisator clubs and appointed by Independent Appointments Committee that resign under clauses 10.42, 10.43, and 10.44.
- 10.47 The Board shall decide which of the Board members appointed by the Auckland Trotting Club Incorporated and New Zealand Metropolitan Trotting Club Incorporated shall resign under clause 10.42.