

# NOMINATION PANEL - APPROVED PROCEDURES

For 2024 HRNZ Director Recruitment



## Background

1. The Director Nomination Panel ("Panel") process was implemented as part of the Harness Racing New Zealand Inc Constitution ("Constitution") dated 19<sup>th</sup> July 2024. Under clause 13.5(b) of the Constitution, the Panel is required to:
  - (b) *The Panel shall, within five months of being first appointed, and on an as required basis thereafter, document its procedures for:*
    - (i) *The recruitment and nomination of directors in accordance with best practice for the recruitment of directors in NZ high performance sport organisations, this Constitution and the Incorporated Societies Act 2022.*
    - (ii) *The retirement of panel members in the first two years.*
  - (c) *The Panel will consult the National Forum on its procedures and then submit its procedures to the HRNZ Board for approval.*
  - (d) *HRNZ will publish the Panel's approved procedures on its website.*

## Panel Composition

2. The Panel is comprised of 5 members:
  - Chair (nominated by the Institute of Directors ("IOD") and endorsed by the Board)  
**Alan Isaac nominated by IOD on 7<sup>th</sup> December 2023 and endorsed by Board on 21<sup>st</sup> March 2024**
  - 1 member nominated by the Board (but not necessarily a Board member)  
**Felicity Caird nominated by Board on 21<sup>st</sup> March 2024**
  - 3 members nominated by the National Forum  
**Mark O'Connor, Peter Kean, John Hartnell nominated by National Forum on 23<sup>rd</sup> April 2024**
3. A quorum for the Panel is 3 in person or virtual, however, must include the Chair.
4. The Panel term is 3 years, however, they are eligible to be reappointed up to a maximum term of 9 years.
5. If a Panel member gives notice of their retirement within the first two years of being appointed, the body which originally nominated that member is entitled to appoint a replacement Panel member, ie nomination by the IOD (Chair), National Forum or HRNZ Board.
6. The Panel met for an introductory briefing session on 8<sup>th</sup> May 2024 via zoom. At this meeting, the Panel appointed its secretary, **Leanne Holdem**, an employee of HRNZ.

## Panel Brief

7. In 2024, being the first year of implementation of the Panel process, the full HRNZ Board of 8 was required to step down at the conclusion of the 2024 AGM on 19<sup>th</sup> October 2024. The Board would then reduce to 7 Directors.
8. Accordingly, the Panel were tasked with recruiting for all 7 HRNZ Director roles. Initially all 7 positions would be nominated by the Panel for election by members at the AGM, however, a change to the Constitution in June 2024 would require the Panel to make 3 direct appointments and nominate 4 candidates for election at the AGM.
9. The Panel needed to ensure the recruitment process had regard to the requirement of the Incorporated Societies Act 2022 wherein the majority of Directors must be representatives of the totalisator clubs or kindred bodies who are members of HRNZ, together with the eligibility requirements within the Constitution, including having an affinity with and connection to the sport. Legal advice was provided on what constituted a "member" of HRNZ.

### **Remuneration of Panel and HRNZ Directors**

10. In May 2024, the HRNZ Acting Chief Executive (“CE”) consulted with the IOD to determine an appropriate remuneration rate and payment structure for Panel members, which was then agreed with Panel members in June 2024. This 2024 remuneration rate reflected the significant exercise of recruiting an entire Board of 7.
11. In May 2024, the CE also consulted with the IOD to determine an appropriate remuneration rate for incoming HRNZ Directors. The IOD provided a report, which enabled the CE to present findings and a recommendation on incoming HRNZ Director remuneration. This was approved by the Board in June 2024 and is reflected in the budget to be presented at the AGM. The remuneration rate brings HRNZ closer to relative high performance sport director remuneration and recognises the significant role of the Chair with Racing New Zealand. The Panel were advised of the revised Director remuneration rate in July 2024.

### **The Recruitment Process**

12. Quotes were sought from recruitment companies with specialist knowledge in governance recruitment to assist the Panel with the recruitment process, with Brannigans selected as the Panel’s partner and Sally Wynn-Williams taking the lead.
13. In consultation with the Board and National Forum, and with the assistance of Brannigans, a skills matrix was developed detailing the competencies and diversity that the Board and National Forum believed needed strengthening within the current group. As the recruitment process was for all 7 roles, this matrix represented a broad range of governance skills and experience, including Chair experience. A position description and advertisement were also drafted.
14. The position description and advertisement were provided to the Board and to Club, Kindred Body and National Forum representatives in June 2024, along with an outline of the timeframe and recruitment process the Panel were following. The Panel Chair penned a letter which was sent to Club, Kindred Body and National Forum representatives encouraging them to spread the word within their networks and encouraged appropriately skilled and experienced associates to apply. An article was posted to HRNZ’s website advertising the roles, along with other initiatives such as naming a race at an NZMTC race meeting which referred to the roles available.
15. Brannigans began candidate search and marketing activities, with the advert going live in June 2024. More detail on the platforms used, number of applications received, and screening and interview process is provided in the general overview report on the recruitment process, along with the supporting brief of qualifications for each candidate, presented to the CE and National Forum.
16. In late July, the Panel were presented with a longlist and agreed with Brannigans the candidates to be taken forward for screening.
17. In August, the Panel agreed on a shortlist of candidates to be taken forward for interviews, which were conducted on 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> September. Prior to interviews, the Panel received legal advice to ensure all process requirements were being met.
18. Following the completion of interviews, the Panel identified their seven preferred candidates and reference checking was carried out by Brannigans. At the same time, these candidates were also provided with the opportunity to carry out due diligence on HRNZ, including the opportunity to speak with the Chief Executive.
19. The Panel selected their three direct appointments to the Board and agreed on the remaining four they proposed to be nominated for election by members at the AGM. Whilst it was acknowledged under clause 17.1 of the Constitution the Board appoints the Chair, as the full Board was being recruited the Panel has recommended one of the appointees as Chair.

20. On 14<sup>th</sup> September 2024, the names of the persons the Panel were proposing to nominate or appoint as Directors with supporting brief of qualifications for each nominated person and a general cover report on the recruitment process, were provided to the CE and National Forum, who were provided with an opportunity to review before these were presented to Clubs and Kindred Bodies for election at the 2024 AGM.
21. The National Forum met on Monday 16<sup>th</sup> September 2024 to review the seven candidates, for election or direct appointment, nominated by the Panel. The Panel Chair was in attendance to speak to the Panel's process in arriving at the candidates nominated. The National Forum did not identify any serious impediment in any nominee for election or direct appointment, however, matters were raised by members of the National Forum, and the Panel undertook to consider whether the proposed candidates had sufficient industry experience. The apparent conflict of interest the with the family relationship between a panel member and applicant was also questioned and addressed.
22. The Panel reconvened on Tuesday 17<sup>th</sup> September 2024 and undertook the consideration of the concerns raised by the National Forum. Whilst hearing and appreciating the feedback raised by members of the National Forum, the Panel remained confident that harness experience, connection, and exposure to the industry were satisfied by at least five of the seven candidates. The Panel also received legal advice, and the matters raised did not provide a basis for the Panel to reconsider its decision. Accordingly, along with its three direct appointees, the Panel ratified its decision on the four nominees for election and advised the National Forum accordingly.
23. The National Forum reconvened on the morning of the 18<sup>th</sup> September 2024, and following further discussion, notified the Panel and HRNZ that they unanimously supported the seven Panel nominees.
24. On Wednesday 18<sup>th</sup> September 2024, Brannigans made notification to all seven preferred candidates that they were to be taken forward in the process and HRNZ made the requisite notification to clubs and kindred bodies within the required timeframe from the AGM.

#### **Consideration of NZ High Performance Sport Best Practice**

25. There were several factors which the Panel had regard to in terms of best practice within the NZ high performance sports sector:
  - a. offering a more competitive Director fee to ensure highly experienced and skilled Directors remain interested;
  - b. casting the net wide by advertising within the sport and on professional director platforms;
  - c. working to a comprehensive skills matrix to ensure a wide range of skills around the Board table;
  - d. providing clarity around the challenges faced by the sport;
  - e. ensuring open communication around the time commitment required by Directors, particularly the Chair role and Racing New Zealand commitment;
  - f. ensuring a mix of appointed Directors with independence from the sport, and elected directors with an affinity and connection to the sport; and
  - g. conducting a transparent and fair recruitment process.

#### **Conflicts of Interest**

26. The Panel acknowledged that, as they held a number of directorships between them with a large network of director colleagues, there was potential for a conflict of interest situation to arise, and these should be disclosed and recorded. The Panel agreed that if a candidate was a close relative of a Panel member or had a material conflict, that Panel member would not participate in that interview. If the candidate was known to a Panel member, provided the Panel member felt they could remain impartial, they would be entitled to participate, bearing in mind that they would be one voice out of five in any event.

**Alan Isaac**  
**Chair**  
**Director Nomination Panel**

**National Forum Consulted: 14<sup>th</sup> September 2024**

**Reviewed and Approved by HRNZ Board: 22<sup>nd</sup> September 2024**

***Next Review: TBC for 2025 Board Appointments/Nominations***