

26<sup>th</sup> June 2019

## OFFICIAL NOTICE

### Amendments to Harness Racing New Zealand Incorporated Constitution – Governance

At a Special General Meeting on Wednesday 26<sup>th</sup> June 2019, the following special resolutions were passed:

#### **SPECIAL RESOLUTION 1**

*To allow the meeting to consider an amendment proposed by Winton HRC to the original HRNZ remit to remove from clause 10.19 the words “Clause 2.2 shall not apply to the votes and each vote shall have a value of one (1)”.*

#### **SPECIAL RESOLUTION 2**

*To approve the amendment proposed by Winton HRC to the original HRNZ remit to remove from clause 10.19 the words “Clause 2.2 shall not apply to the votes and each vote shall have a value of one (1)”.*

#### **SPECIAL RESOLUTION 3**

*To approve the HRNZ remit to amend the governance structure of Harness Racing New Zealand Incorporated, including the amendment proposed by Winton HRC relating to the voting mechanism. The Constitution of Harness Racing New Zealand Incorporated will be amended as set out below.*

*The Constitution of Harness Racing New Zealand Incorporated will 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.*

*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.*

The new board of eight (down from 11 currently) will include two independent directors to be appointed by a selection committee, four directors will be elected by the clubs/kindred bodies (using the current voting mechanism based on totalisator licences allocated to each club), and the two major clubs, Auckland Trotting Club and the New Zealand Metropolitan Trotting Club, will appoint one director each.

The current directors will step down at September's AGM. The new board will meet for the first time in October. The process of appointing the independent directors will begin once the elected directors are chosen by the clubs/kindred bodies and any skill gaps can be identified.

**Peter Jensen**  
**Chief Executive**