CONSTITUTION

CONSTITUTION

OF

# HARNESS RACING NEW ZEALAND INCORPORATED

AS AT 1 NOVEMBER 2026

HARNESS RACING NEW ZEALAND

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# Constitution of Harness Racing New Zealand Incorporated

## 1. Name and Commencement

### 1.1 **Name**

The name of the incorporated society is Harness Racing New Zealand Incorporated.

### 1.2 **Charitable status**

HRNZ is not and does not intend to be registered as a charitable entity under the Charities Act 2005.

### 1.3 **Registered office**

The registered office of HRNZ shall be at such place in New Zealand as the Board from time to time determines, and changes to the registered office shall be notified to the Registrar of Incorporated Societies.

### 1.4 **Rules**

This Constitution sets out the rules governing HRNZ and is binding on each member.

### 1.5 **Commencement**

This Constitution takes effect as from 19 July 2024.

## 2. Interpretation

### 2.1 **Definitions**

In this Constitution, unless the context otherwise requires:

**affiliate** means an incorporated body registered with HRNZ and named in Part 2 of the First Schedule who has not ceased to be an affiliate of HRNZ.

**annual general meeting** means a meeting of the members of HRNZ held once per year, which, amongst other things, will receive and consider reports on HRNZ's activities and finances.

**betting, betting licence, and betting race** shall have the same meaning as provided in the Racing Industry Act 2020.

**Board** means the body of persons comprising the elected directors under this Constitution.

**contact officer** means the person appointed, from time to time, by the Board as the Contact Officer under clause 30.

**chairperson** means the chairperson of the Board elected or appointed under clause 17.

**clause** means the clause in this document, as amended from time to time.

**club** means a registered club and includes the clubs listed in Part 1 of the First Schedule.

**committee** when used in reference to a club, means the body of persons, by whatever name called, charged with the general management of the affairs of the club under its rules.

**constitution** in relation to HRNZ means this Constitution and in relation to a club and kindred body means the rules or other constitutional document of the club or kindred body.

**chief executive** means the chief executive of HRNZ or other person authorised to act on the chief executive's behalf.

**deputy chairperson** means the director appointed as the deputy chairperson.

**Entain** means Entain New Zealand Limited or any entity that replaces it.

**finance chairperson** means the director responsible for, among other things, overseeing the finances of HRNZ.

**financial year** means the period beginning on 1 August in any calendar year and ending on 31 July in the following calendar year.

**general meeting** means either an annual general meeting or a special general meeting of HRNZ**.**

**HRNZ** means Harness Racing New Zealand Incorporated.

**Incorporated Societies Act 2022** means the Incorporated Societies Act 2022 or any Act that replaces it (including amendments to it from time to time), and any regulations made under the Act or any Act which replaces it (and a reference to any other Act has a corresponding meaning).

**kindred body** means the N.Z. Standardbred Breeders' Association Incorporated, the New Zealand Harness Racing Trainers and Drivers Association Incorporated, and the New Zealand Trotting Owners Association Incorporated (if re-established and registered under this Constitution).

**member** means a totalisator club and kindred body registered with HRNZ who has not ceased to be a member but does not include the affiliates listed in Part 2 of the First Schedule.

**notice** to members includes any notice given by post, courier, email, other electronic means or by publication in the official notifications. The failure for any reason of any member to receive any notice shall not invalidate any matter, meeting, proceedings, or election.

**official notification** and **official notifications** mean the publication in the Official Notifications on the HRNZ website, www.hrnz.co.nz

**paid official** means a person employed or engaged by:

(a) any club, racing club, kindred body, body or company consisting of a combination of clubs at its race meeting or in its operations or works;

(b) by HRNZ or the Board; or

(c) TAB NZ, Entain, Racing New Zealand, or the Racing Integrity Board —

and who receives in respect of such employment or engagement any emolument, wages, or salary but does not include any medical practitioner, veterinary surgeon, barrister, solicitor, or auditor in respect of their engagement in a professional capacity or as an independent contractor.

**participant**—

(a) means a person licensed or registered with HRNZ; and

(b) includes (without limitation)—

  (i) a trainer, driver, or stablehand:

  (ii) a breeder of standardbred horses:

  (iii) an owner (or part-owner), leasor (or part-leasor) of a, standardbred horse registered or eligible for registration under the rules of harness racing:

  (iv) a person who otherwise deals with animals used for harness racing:

  (v) a member of a harness racing club: and

  (vi) any other person to whom the rules of harness racing apply.

**racing code** has the same meaning as set out in the Racing Industry Act 2020.

**Racing Industry Act 2020** means the Racing Industry Act 2020, or any Act that replaces it (including amendments to it from time to time), and any regulations made under the Act or any Act which replaces it.

**racing year** means the period beginning on 1 August in any calendar year and ending on 31 July in the following calendar year.

**register of interests** means the Register of Interests kept under these rules.

**register of members** means the Register of Members kept under these rules**.**

**rules of racing** mean the rules of harness racing, New Zealand Thoroughbred Racing

Incorporated Rules of Racing, or New Zealand Greyhound Racing Association Incorporated Rules of Racing.

**rules of harness racing** mean the New Zealand Rules of Harness Racing and any regulations, directive, or policy made under those rules or this Constitution.

**small racing club** shall have the same meaning as provided in the Racing Industry Act 2020.

**special general meeting** means a meeting of the members, other than an annual general meeting.

**TAB NZ** means TAB NZ established under the Racing Industry Act 2020 and any body that replaces TAB NZ under that Act or any Act that replaces the Racing Industry Act 2020.

**totalisator club** means a club registered with HRNZ for the time being holding a betting licence issued under the Racing Industry Act 2020 and registered under this Constitution but does not include a club that only conducts an equalisator race meeting.

**working day** means any day of the week other than—

(a) a Saturday, a Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's birthday, Matariki Observance Day, and Labour Day; and

(b) if Waitangi Day or Anzac Day falls on a Saturday or a Sunday, the following Monday; and

(c) a day in the period commencing on 25 December in any year and ending with 8 January in the following year.

2.2 **General interpretation provisions**

(a) The terms and provisions of this Constitution shall, unless the context otherwise requires, be interpreted consistent with the provisions of the rules of harness racing.

(b) Words denoting a gender include every other gender.

(c) Words in the singular include the plural, and words in the plural include the singular

(d) The meaning of clauses in this Constitution must be ascertained from its text and in the light of its purpose and its context.

2.3 **Club and kindred body voting**

A member voting on any matter under this Constitution shall have the number of votes provided in the Second Schedule.

2.4 **Resolutions and special resolutions**

(a) Unless otherwise provided in this Constitution or the rules of harness racing:

(i) A resolution requires a majority of the votes cast to vote in favour of the resolution and the following resolutions shall in addition require one-third of the members present and voting to vote in favour of the resolution:

(a) A resolution to suspend a member's speaking or voting rights at a general meeting.

(b) Removal of a director at a general meeting of HRNZ.

(ii) A special resolution requires a majority of at least two-thirds of the votes cast and one-third of the members present and voting to vote in favour of the resolution.

(iii) A special resolution requires notice, to the satisfaction of the chair of the meeting, to have been given to each member and published in the official notifications at least 20 working days before it is voted on.

(b) A special resolution amending the Constitution takes effect from when the amendment is registered under the Incorporated Societies Act 2022 or such later date as stated in the special resolution.

(c) Any other special resolution or resolution takes effect from the date stated in the special resolution or resolution and if no date is stated, from 1 January following the special resolution or resolution.

(d) Every special resolution which is adopted must be notified in the official notifications.

## 3. Compliance with the Law

3.1 **Compliance with the law**

Nothing in this Constitution authorises HRNZ to do anything which contravenes or is inconsistent with:

(a) the Incorporated Societies Act 2022;

(b) the Racing Industry Act 2020; or

(c) any other legislation or the general law of New Zealand.

## 4. Objects and functions of HRNZ

### 4.1 **Objects of HRNZ**

The objects of HRNZ include to:

(a) Control, manage, and be responsible for the guardianship, promotion, enhancement, and the administration of the sport of harness racing in New Zealand.

(b) To foster and encourage participation in the sport of harness racing.

(c) Comply with HRNZ's obligations under the Racing Industry Act 2020, the Incorporated Societies Act 2022, this Constitution, and the rules of harness racing.

(d) Ensure that all requirements of this Constitution and the rules of harness racing are observed and complied with by all persons and bodies to which they apply.

### 4.2 **Functions of HRNZ**

(a) The functions of HRNZ include:

(i) The functions set out in the Racing Industry Act 2020, this Constitution, and the rules of harness racing.

(ii) To do all such things as may be incidental or conducive to attaining all or any of its functions or objects.

## 5. Membership and affiliates of HRNZ

### 5.1 **Members**

The members consist of:

(a) the members listed in Part One of the First Schedule as a totalisator club or kindred body; and

(b) a club or kindred body whose application for membership is accepted—

who has not ceased to be a member.

### 5.2 **Application for membership**

(a) A club or kindred body may apply to be registered as a member of HRNZ.

(b) Every applicant for membership must consent to becoming a member.

(c) An applicant for membership must complete and sign any application form and supply any information or requirement as may be reasonably required by the Board.

5.3 **Affiliates of HRNZ**

The affiliates of HRNZ consist of:

(a) the current affiliates listed in Part 2 of the First Schedule; and

(b) a person whose application as an affiliate is accepted—

who has not ceased to be an affiliate.

5.4 **Application to become an affiliate**

(a) A club or incorporated body may apply to be an affiliate of HRNZ.

(b) Every applicant must consent to become an affiliate.

(c) An affiliate applicant must complete and sign any application form and supply any information or requirement as may be reasonably required by the Board.

5.5 **Processing of an application**

(a) An application for registration as a member or an affiliate of HRNZ shall be considered by the Board which may:

(i) grant or refuse the application; or

(ii) refer the application to the annual general meeting or a special general meeting for approval by special resolution.

(b) The Board must advise the applicant of its decision but is not required to provide reasons for its decision.

(c) An application may not be granted where the constitution or rules of the club, kindred body, or affiliate allows a division or apportionment of any part of its property or surplus funds to any of its members at any time during its existence or in the event of its dissolution.

(d) After a club or kindred body becomes a registered member, the chief executive must update the Register of Members, the First Schedule, and notify the same in the official notifications.

(e) After a club or incorporated body becomes a registered affiliate of HRNZ, the chief executive must update the First Schedule and notify the same in the official notifications.

5.6 **Members and affiliates change of name**

(a) A member or an affiliate may change their name with the consent of the Board and on payment of a fee as the Board may decide.

(b) After the secretary (or person of equivalent office) of a club, kindred body, or affiliate has certified that the necessary steps have been taken in accordance with its constitution or rules to change the name the chief executive is to update the Register of Members and the First Schedule and notify the name change in the official notifications.

5.7 **Cancellation and suspension of registration**

(a) The Board must cancel the registration of a member or an affiliate if it is satisfied that registration was secured by any false or fraudulent representation, material omission, or production of any false document.

(b) A totalisator club registration is cancelled if the club has not held a betting licence for two consecutive racing years, however, such a club may become an affiliate of HRNZ.

(c) The Board may suspend on terms or conditions or cancel the registration of a member or affiliate who has:

(i) failed to observe, perform or carry out the requirements of this Constitution or the rules of harness racing; or

(ii) a constitution which allows the division or apportionment among any of its members of any part of its property or surplus funds during its existence or in the event of its dissolution.

(d) The chief executive is to:

(i) notify a suspension or cancellation in the official notifications;

(ii) record the suspension of a member's registration in the Register of Members;

(iii) remove from the Register of Members a member whose registration is cancelled; and

(iv) update the First Schedule after the member's or affiliates registration is cancelled.

5.8 **Effect of becoming a member or an affiliate**

(a) Registration as a member or an affiliate confers on members or affiliate all rights, powers, functions, and duties conferred on members or affiliates by this Constitution and the rules of harness racing.

(b) Registration as a member or an affiliate operates as an agreement by HRNZ and its members and affiliates:

(i) To faithfully observe, perform, and carry out the requirements of this Constitution and the rules of harness racing.

(ii) To obey all orders and directions made or given under this Constitution and the rules of harness racing.

(iii) To not exercise or claim in respect of harness racing, the control of harness racing, or any power or authority, except as is conferred on it by this Constitution or the rules of harness racing.

5.9 **Membership and affiliate's general obligations**

(a) All members and affiliates shall:

(i) Promote the interests and the objectives of HRNZ.

(ii) Not do anything to bring HRNZ into disrepute.

(iii) Comply with the provisions of this Constitution or the rules of harness racing.

(iv) Provide the chief executive of any change of their contact details (including their postal address, phone number(s), and email or other electronic address).

(v) Provide the chief executive with the name and contact details of the person who is the organisation's contact person under the Incorporated Societies Act 2022 of any changes of the contact person or their contact details.

5.10 **Totalisator club returns**

(a) A member that is a totalisator club shall forward to the chief executive within ten working days after its annual general meeting:

(i) financial statements required to be prepared under the Incorporated Societies Act 2022 in an approved standardised format (including a statement of financial performance and a statement of financial position) showing the full the financial position of the club at the close of the previous financial year; and

(ii) a record of its total number of valid members.

(b) A totalisator club shall if required by the Board:

(i) forward to the chief executive an update on its financial position within a timeframe fixed by the Board;

(ii) provide financial statements in an approved standardised format (including a statement of financial performance and a statement of financial position) within a timeframe fixed by the Board;

(iii) provide a copy of its service performance report;

(iv) provide a business plan including financial budgets within a timeframe fixed by the Board;

(v) forward to the chief executive the total number of valid members within a timeframe fixed by the Board; and

(vi) provide any other information required by the Board in exercising HRNZ's function to govern racing clubs, racing venues, and participants under section 15 of the Racing Industry Act 2020.

(c) A totalisator club may have their voting and speaking rights at any meeting of HRNZ suspended by the Board on terms and conditions as the Board considers appropriate or by resolution at a general meeting that:

(i) does not comply with any provision of this Constitution or the rules of harness racing;

(ii) is insolvent;

(iii) has lost its betting licences for financial reasons; or

(iv) the Board is not satisfied with the financial information provided.

5.11 **Kindred Body returns**

(a) A kindred body that is a member shall send to the chief executive within ten working days after its annual meeting:

(i) financial statements required to be prepared under the Incorporated Societies Act 2022 in an approved standardised format (including a statement of financial performance and a statement of financial position) showing the full the financial position of the kindred body at the close of the previous financial year; and

(ii) a record of its total number of valid members.

(b) A kindred body shall if required by the Board:

(i) forward to the chief executive an update on its financial position within a timeframe fixed by the Board;

(ii) provide financial statements in an approved standardised format (including a statement of financial performance and a statement of financial position) within a timeframe fixed by the Board;

(iii) provide a copy of its service performance report;

(iv) provide a business plan including financial budgets within a timeframe fixed by the Board; and

(v) forward to the chief executive the total number of valid members within a timeframe fixed by the Board.

(c) The Board may prescribe the minimum number of members for a kindred body and any association affiliated to it for the purpose of this Constitution.

(d) Where a kindred body consists of fewer members than any minimum specified in clause 5.11(c), any right, benefit, or privilege imposed or granted to the kindred body under this Constitution, or the rules of harness racing, may be revoked by special resolution of HRNZ.

(e) A kindred body may have their voting and speaking rights at any meeting of HRNZ suspended by the Board on terms and conditions as the Board considers appropriate or by resolution at a general meeting that:

(i) does not comply with any provision of this Constitution or the rules of harness racing;

(ii) is insolvent; or

(iii) the Board is not satisfied with the financial information provided.

5.12 **Affiliates**

(a) An affiliate shall if required by the Board:

(i) forward to the chief executive an update on its financial position within a timeframe fixed by the Board;

(ii) forward to the chief executive the total number of valid members within a timeframe fixed by the Board; and

(iii) such other information as may be reasonably be required by the Board.

(b) An affiliate that does not comply with any provision of this Constitution or the rules of harness racing, may have their speaking rights at any meeting of HRNZ suspended:

(i) by the Board on terms and conditions as the Board considers appropriate; or

(ii) by resolution at a general meeting of HRNZ.

5.13 **Member's rights or interests in the property of HRNZ**[1]

(a) Members and affiliates do not have a right, title, or interest (legal or equitable) in the property of HRNZ.

(b) A member or an affiliate must not have any pecuniary interest, in their capacity as a member or affiliate, in the property of HRNZ.

## 6. Cessation of membership or being an affiliate

### 6.1 When membership or being an affiliate ceases

Membership and registration as a member or affiliate shall cease on:

(a) the member or affiliate resigning by giving notice to the chief executive.

(b) at the end of the second racing year the member has not held a betting licence (but the member may become an affiliate);

(c) cancellation of the members or affiliates registration;

(d) the Registrar of Incorporated Societies dissolving the member or affiliate under the Incorporated Societies Act 1908, or the member or affiliate being removed from the Register of Incorporated Societies and not restored to the Register under the Incorporated Societies Act 2022; or

(e) liquidation if the member or affiliate is an incorporated body.

### 6.2 Obligations on membership or being an affiliate ceasing

On membership or being an affiliate ceasing the member or affiliate shall:

(a) cease to hold itself out as a member or affiliate of HRNZ;

(b) return to the HRNZ all material provided to the member or affiliate by HRNZ the Board requests to be returned; and

(c) cease to be entitled to any of the rights of a member or an affiliate**.**

**6.3 Becoming a member again**

(a) Any former member or affiliate may apply for re-admission in the manner prescribed for new applicants and may be re-admitted only by resolution of the Board.

(b) However, if a former member's or affiliates registration was cancelled following a dispute resolution process, the applicant may be re-admitted only by a resolution at a general meeting on the recommendation of the Board.

## 7. Register of members

7.1 **Members register**

(a) HRNZ must keep a Register of Members that includes:

(i) the name of each member;

(ii) the last known contact details for each member;

(iii) the date on which the member became a member;

(iv) the members contact person under the Incorporated Societies Act 2022;

(v) other information prescribed by regulations made under the Incorporated Societies Act 2022; and

(vi) other information required by the Board to be included in the Register of Members.

7.2 **Arrangements for keeping the Register of Members up to date**

The chief executive, or such other person as may be directed by the Board, from time to time, must update the Register of Members as soon as practical after becoming aware of changes to the information recorded in the register.

## 8. Subscription Fees and Due Date

### 8.1 **Subscription fees**

No subscription fee is payable by the members or affiliates.

## 9. Meetings of HRNZ

### 9.1 **Annual General Meeting - Timing**

(a) An annual general meeting of HRNZ must be held:

(i) no later than six (6) months after the end of the financial year; and

(ii) no later than 15 months after the previous annual general meeting.

(b) The chief executive may inform the members and affiliates of the proposed date of the annual general meeting.

### 9.2 **Annual General Meeting - Business**

(a) At each annual general meeting, the Board must present information required to be presented under the Incorporated Societies Act 2022 including:

(i) an annual report on the operations and affairs of HRNZ during the most recently completed accounting period: and

(ii) the financial statements of HRNZ for that period: and

(iii) notice of the disclosures, or types of disclosures, made under section 63 of the Incorporated Societies Act 2022 (disclosure of interests) during that period (including a brief summary of the matters, or types of matters, to which those disclosures relate).

(b) The business of the annual general meeting shall include:

(i) To adopt the minutes of the previous annual general meeting and any recent special general meeting held after the last annual general meeting.

(ii) To receive, consider, and approve the annual report of HRNZ, including audited annual accounts.

(iii) To receive and consider a notice of any disclosures of conflicts of interest since the previous annual general, including a brief summary of the types of matters

to which the disclosures relate.

(iv) To elect the directors nominated by the Panel.

(v) To appoint an auditor or authorise the Board to appoint the auditor, and to authorise the Board to fix the auditor's remuneration.

(vi) To consider and, if thought fit, pass any remits or motions by resolution or special resolution.

(vii) To consider such other general business as the meeting resolves to consider.

9.3 **Annual General Meeting – Remits and motions for consideration**

(a) The Board may put forward remits, motions, or matters for consideration at an annual general meeting.

(b) A member may put forward remits, motions, or matters for consideration at an annual general meeting by written notice to the chief executive not less than 30 working days before the proposed date of that meeting.

(c) An affiliate may put forward matters for consideration as general business at an annual general meeting by written notice to the chief executive not less than 30 working days before the proposed date of that meeting.

(d) Any motion, remit, or matter for consideration may also provide information in support of the motion, remit, or matter.

9.4 **Annual General Meeting - Notice**

(a) The date, time, and place for the annual general meeting must be notified to each member not less than 20 working days before the date of that meeting.

(b) The notice of an annual general meeting must include:

(i) the time, place and date of the meeting;

(ii) the relevant annual report and financial statements unless paragraph (c) applies;

(iii) the nature of the business to be transacted at the meeting in sufficient detail to enable a member to form a reasoned judgment in relation to it;

(iv) any matter proposed by a member for consideration at the meeting submitted

to the meeting; and

(v) if circumstances exist at the time of notification of the annual general meeting that results in the personal attendance of persons at the meeting not being practicable the Board may permit the attendees for who it is not practicable to attend to participate in the meeting by means of audio, audio visual, electronic communication, or the use of other technologies as decided by the Board.

(c) The relevant annual report and financial statements if not available to be notified 20 working days before the meeting must be circulated to members at least 10 working days before the meeting.

9.5 **Special General Meetings**

(a) Each general meeting of HRNZ other than an annual general meeting is a special general meeting.

(b) A special general meeting may be called by the Board at any time.

(c) A special general meeting must be called following a written request to the Board by a majority of the members. Any such request must include full details of the business to be dealt with at the special general meeting.

(d) A special general meeting may only consider the matters set out in the notice of the meeting.

(e) The date, time, and place for a special general meeting must be notified to each member not less than 20 working days before the date of that meeting (when in the view of the Board such notice period is not appropriate in which case a period of at least five (5) working days must be given).

(f) The notice of a special general meeting must include:

(i) the time, place and date of the meeting;

(ii) the nature of the business to be transacted at the meeting in sufficient detail to enable a member to form a reasoned judgment in relation to it; and

(iii) if circumstances exist at the time of notification of the special general meeting that result in the personal attendance attendees at the meeting not being reasonable or practicable, the Board may permit attendees to attend and participate at the meeting by means of audio, audio visual, electronic communication or the use of other technologies as decided by the Board; and

(g) No business other than that for which notice has been given may be transacted at a special general meeting.

9.6 **Attendance and representation at general meetings**

(a) A member or affiliate entitled to representation at a general meeting attends a general meeting by its representative.

*Totalisator Clubs and Kindred Bodies*

(b) A member is entitled to be represented at a general meeting if it is registered under this Constitution and that registration is not cancelled. For the avoidance of doubt, a member whose registration is suspended is entitled to attend a general meeting but has no voting or speaking rights.

(c) A member entitled to representation shall be represented at each general meeting of HRNZ unless the Board allows otherwise.

(d) Each member entitled to representation shall elect or appoint one representative to attend a general meeting of HRNZ on behalf of the club or kindred body.

(e) At an annual general meeting a member entitled to representation may appoint, in addition to their representative, an official observer.

(f) A representative and official observer of a member must be a committee member, the secretary, a steward, or the executive officer (or a person of equivalent office) of the totalisator club or kindred body they represent.

(g) Notice of the representative and any official observer must be given to the chief executive at least 10 working days prior to the meeting. Where notice of a meeting is less than 10 working days the notice shall state the time by which notification is to be given.

*Affiliates*

(h) An affiliate is entitled to representation at a general meeting of HRNZ if it is registered under this Constitution and their registration as an affiliate is not cancelled.

(i) An affiliate entitled to representation at a meeting shall elect or appoint an official observer to attend a general meeting of HRNZ on its behalf.

(j) An official observer of an affiliate must be a committee member, the secretary, a steward, or the executive officer (or a person of equivalent office) of the affiliate they represent.

(k) Notice of the official observer must be given to the chief executive at least 10 working days prior to the meeting. Where notice of a meeting is less than 10 working days the notice shall state the time by which notification is to be given.

(l) An affiliate has no voting rights but does have speaking rights if its registration is not suspended.

9.7 **Representatives**

(a) A person may only be appointed as a representative or official observer of one member or affiliate (but may also be appointed as a substitute of a club or kindred body if it is not practical for another person to be appointed as a substitute).

(b) A person is not eligible to be elected, appointed, or to continue as a representative or official observer who:

(i) Is not a member of the club, kindred body, or affiliate.

(ii) Is a paid official of the club, kindred body, or associate member other than an officer or the executive officer (or a person of equivalent office).

(iii) A director of HRNZ.

(iv) Has at any time been or is disqualified for a serious racing offence or corrupt practice under the rules or the rules of racing, the former New Zealand Rules of Harness Racing or rules of racing, or any equivalent rules of any recognised harness racing club, racing club, Authority or body in New Zealand or any country.

(v) Is disqualified as an officer under the Incorporated Societies Act 2022.

9.8 **Substitutes**

(a) If a representative is unable to be present at a meeting the representative, or the totalisator club, kindred body, or affiliate may by letter, email, or such other method as is approved by chief executive, appoint a person to be the substitute for the representative.

(b) The substitute for a club, kindred body, or affiliate must be a member or the executive officer (or person of equivalent office) of the club, kindred body, or affiliate they represent.

(c) If it is not practical for a member of the executive or the executive officer (or person of equivalent office) to be appointed as a substitute under paragraph (b) the member

or its representative may appoint a representative of another member or a director as the substitute.

(d) The appointment of a substitute must be in writing signed by the representative, or the club, kindred body, or affiliate they represent and must be in substantially the following form:

> [Representatives name] who is unable to attend the meeting due to [insert reason] appoints [insert substitutes name] to be their substitute at the meeting of the club to be held on [insert date of meeting].

(e) The document appointing a substitute must be provided to the chief executive, the executive secretary of HRNZ, or the meeting Chair not later than one (1) hour prior to the advertised time for the commencement of the relevant meeting. The document appointing a substitute can be provided electronically.

(f) Failure to comply with the provisions this clause renders the appointment of a substitute null and void unless the Chair of the general meeting deems the circumstances such that the irregularity is waived.

(g) A substitute may exercise all the absentee representative's speaking rights and voting powers.

9.9 **Irregularities in calling a meeting**

(a) An irregularity in the calling a general meeting of HRNZ is waived if all members entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity or if all such members agree to the waiver.

(b) An accidental omission to give notice of a meeting to, or a failure to receive notice of a meeting by, a member does not invalidate the proceedings at that meeting.

9.10 **Quorum for general meetings**

(a) No business may be carried out at a general meeting unless a quorum is present.

(b) A quorum shall comprise of at least 50 percent of the eligible members and at least 50 percent of the eligible votes.

(c) If a quorum is not present within half an hour after the time appointed for the meeting:

(i) at an annual general meeting, the meeting shall stand adjourned to the same

time and place on the same day in the following week and the members present at the adjourned meeting may transact any business if there is a quorum; and

(ii) at a special general meeting, the special general meeting shall lapse.

9.11 **Methods of holding meetings**

(a) A general meeting may be convened by the attendees:

(i) Being assembled at the place, date, and time appointed for the meeting.

(ii) By the attendees being present by audio, audio visual, electronic communication, or other technologies as decided by the Board.

(iii) By a combination of both methods in sub-paragraphs (i) and (ii) as decided by the Board.

(b) If circumstances arise after the time of notification of the meeting that results in the attendance of members at the meeting not being practicable, or the Board otherwise agrees, the Board may permit members to attend and participate in the meeting through audio, audio-visual, electronic communication, or the use of other technologies as decided by the Board.

9.12 **Attendees**

(a) A meeting of HRNZ shall be a meeting of:

(i) the chairperson, the deputy chairperson, the finance chairperson; and

(ii) the appointed representatives of the members or their substitutes.

(b) The following persons may attend general meetings:

(i) The directors of HRNZ.

(ii) The chief executive and employees of HRNZ.

(iii) Official observers.

(iv) Members of TAB NZ, Entain New Zealand Limited, and Racing New Zealand.

(v) The auditor.

(vi) Any person invited by the Board or the chief executive to attend the meeting.

9.13 **Chairing the meeting**

(a) The chairperson shall chair all general meetings (the meeting chair).

(b) If the chairperson is absent or decides not to chair the meeting, the deputy chairperson shall chair the meeting.

(c) If the deputy chairperson is absent or decides not to chair the meeting an independent person appointed by the Board shall chair the meeting or the members present shall elect another person to chair the meeting.

(d) The meeting chair may:

(i) With the consent of the general meeting adjourn the general meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(ii) Direct that any person not entitled to be present at the meeting, obstructing the business of the meeting, behaving in a disorderly manner, being abusive, or failing to abide by the directions of the meeting chair be removed from the meeting.

(iii) In the absence of a quorum or in the case of an emergency, adjourn the meeting or declare it closed.

(e) Decide any matter of procedure not otherwise provided for in these rules.

9.14 **Speaking rights**

(a) The following persons have speaking rights at a general meeting:

(i) A director and the meeting chair.

(ii) A member’s representative or the duly appointed substitute provided that a representative or substitute may ask their official observer to speak on their behalf.

(iii) An affiliate's official observer.

(iv) Members of TAB NZ, Entain New Zealand Limited, Racing New Zealand, and any person invited to attend a meeting by the Board with the consent of the meeting chair, the Board, or the meeting.

9.15 **Moving and seconding resolutions**

(a) The following persons may move and second resolutions:

(i) The chairperson, deputy chairperson, finance chairperson, and the meeting chair.

(ii) A director who is not the chairperson, deputy chairperson, or finance chairperson may move and second resolutions when authorised by the Board.

(iii) A member's representative or the duly appointed substitute.

9.16 **Voting**

(a) A representative of a member or their duly appointed substitute attending a meeting:

(i) may vote on any matter put to the vote; and

(ii) has the number of votes set out in the Second Schedule to this Constitution for the club or kindred body they represent.

(b) No person other than the representative of a club, kindred body, their duly appointed substitute, or the meeting chair may vote on any matter put to the vote.

(c) At a meeting, the vote shall be decided as the meeting chair directs unless a poll is requested before or immediately after the declaration of the result.

(d) Except where a poll is requested, a declaration by the meeting chair that the resolution has been carried, carried unanimously, carried by a particular majority, or lost shall be conclusive proof of the fact. Proof of the number or proportion of the votes recorded in favour of or against that resolution is not required.

(e) If a poll is requested, it shall be taken immediately and by the method, as the meeting chair directs.

(f) When any resolution or special resolution is put to the vote the meeting chair (or his or her nominee) may record the names of the club or kindred body whose representative or substitute has voted in favour of or against the resolution.

(g) No act, resolution, or special resolution of HRNZ shall be invalidated because at the time of the act, resolution, or special resolution:

(i) that a club or kindred body entitled to representation was not represented;

(ii) there was some defect in the appointment of the Chair of the meeting or of any representative or substitute of any club or kindred body; or

(iii) it has not been notified in the official notifications.

9.17 **Speaking rights**

For the avoidance of doubt a member or affiliate whose speaking rights are suspended and a member whose voting rights are suspended may not speak or vote (as the case may be) at a general meeting.

9.18 **Minutes to be kept**

Minutes must be kept by the chief executive or his or her nominee of all general meetings.

9.19 **Meeting report**

Following each general meeting, the chief executive will send a report of the proceedings, including the minutes of the meeting, to all members.

## 10. Resolutions in lieu of meetings

10.1 **Resolution in lieu of a meeting**

(a) HRNZ may pass a resolution in lieu of a general meeting.

(b) A resolution in lieu of a meeting must comply with sections 89 to 92 of the Incorporated Societies Act 2022.

## 11. Regional forums

11.1 **Regional forums**

(a) The regional forums are the:

(i) North Island regional forum comprising of its members located in the North Island.

(ii) Upper South Island regional forum comprising of its members located north of the Waitaki River in the South Island excluding the Waimate Trotting Club and including the Kurow Trotting Club.

(iii) Southern regional forum comprising of its members located south of the Waitaki River including the Waimate Trotting Club and excluding the Kurow Trotting Club

(b) Totalisator clubs and any affiliate or branch of a kindred bodies in a region must form a regional forum. A regional forum may be an incorporated society provided that all members in clause 11.2(a) are and continue to be members of the society.

11.2 **Membership of regional forums**

(a) Members of a regional forum are:

(i) the totalisator clubs in the region; and

(ii) the affiliate or branch of any kindred body in the region and if there is no affiliate or branch a person nominated by the national kindred body for that region;

(b) Members of a regional forum may include:

(i) Any other registered club or affiliated entity in that region referred to in the First Schedule.

(ii) Any key stakeholders in the region including organisation that run trials and workouts.

11.3 **Purpose of regional forums**

The purpose of regional forums includes:

(a) To enhance regional harness racing operational, organisation, and funding matters at a local and regional basis.

(b) To provide communications, coordination, and planning for supporting the National Forum functions described in clause 12.5.

(c) To appoint members to the National Forum.

11.4 **Powers of regional forums**

(a) Regional forums are self-regulating with membership (other than of totalisator clubs and kindred bodies) and governance arrangements at their sole discretion.

(b) The regional forums shall document their membership and procedures in a charter

document that will be publicly available on the HRNZ website.

(c) If members of a regional forum cannot reach a consensus on a matter and a vote is requested each totalisator club in clause 11.2(a)(i) shall have the votes set out in Second Schedule and each kindred body one vote, unless otherwise agreed and recorded in the charter.

11.5 **Regional forums established under this Constitution:**

(a) do not have separate corporate status;

(b) are consultative forums, not a decision-making body, or another layer of governance; and

(c) are independent of HRNZ in their composition and functioning.

11.6 **Consultation**

HRNZ will undertake consultation on a regular basis with the regional forums to facilitate the purpose in clause 11.3(a).

## 12 Harness National Forum

12.1 **Composition and Membership**

Membership of the National Forum shall consist of:

(a) three members nominated by the North Island regional forum;

(b) three members nominated by the Upper South Island regional forum;

(c) two members nominated by the Southern regional forum;

(d) one member, and an alternate, nominated by the small racing clubs and if more than one person is nominated as a member or alternate by an election conducted by the chief executive;

(e) one member nominated by the N.Z. Standardbred Breeders' Association Incorporated;

(f) one member nominated by the New Zealand Trotting Owners Association Incorporated;

(g) one member nominated by the New Zealand Harness Racing Trainers and Drivers Association Incorporated; and

(h) a member co-opted by the National Forum, limited to two at any one time, for a specific purpose or project and for a fixed term not greater than two years.

12.2 The appointing bodies named in clause 12.1 (other than small clubs under clause 12.1(d)) shall have sole discretion in determining the method for selecting or removing their nominee to the National Forum, including the appointment of an alternate.

12.3 The members of the National Forum shall hold office at the discretion of their nominating body with a maximum term of nine years, cumulatively.

12.4 The members of the National Forum:

(a) Shall elect a member as chairperson at their first meeting after the HRNZ annual general meeting to hold office until the end of the next annual general meeting.

(b) May remove the chairperson by majority vote two weeks after notice in writing and signed by four members has been received by the secretary.

12.5 **Purpose of the National Forum**

The National Forum is a cross-harness racing code body that, with the best collective interests of the New Zealand harness sport at heart, can provide:

(a) meaningful input to the selection of members of the Board by providing feedback on the required competencies and skills;

(b) the direct appointment of three members of the Directors Nomination Panel, who do not have to be members of the National Forum;

(c) perspectives on national matters that will inform the Board's strategic thinking before plans and long-term strategies are finalised;

(d) perspectives on the future of harness racing; and

(e) a forum for cross-sport conversations and networking across the sport.

12.6 **Powers of the National Forum**

The National Forum shall:

(a) Document their membership and procedures in a charter document, after consulting

HRNZ, that will be publicly available on the HRNZ website.

(b) Meet as required, usually virtually, but at least once a year in person.

(c) The nominators of the National Forum members shall be responsible for the out-of-pocket expenses of their nominee's participation that are not provided for under clause 12.8(b).

(d) Through the chairperson of the National Forum send a report to the annual general meeting and at least quarterly to the Board.

12.7 For the avoidance of doubt the National Forum established under this Constitution:

(a) does not have separate corporate status;

(b) is a consultative forum, not a decision-making body, or another layer of governance; and

(c) are independent of HRNZ in their composition and functioning.

12.8 HRNZ shall:

(a) Make budget provision for the annual remuneration of the chair of the National Forum at 50% of the rate for the chair of the Board (for their role as chair of the Board) as determined from time to time.

(b) Establish an annual budget for the secretariat's and chairperson's out-of-pocket, secretarial expenses, and other reasonable costs of the National Forum after consultation with the National Forum.

12.9 **Consultation**

HRNZ will undertake consultation on a regular basis with the National Forum on the initiation, development, and implementation of strategies for the promotion, strategic development, and welfare of the harness racing sport.

12.10 **Procedural Error**

No act, proceedings, determination, or matter of the National Forum or of any person acting as a member the National Forum shall be invalidated because of a vacancy in the membership of the National Forum 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 they were ineligible or incapable of acting or being a member.

## 13 Directors Nomination Panel

13.1 **Composition and Membership**

The Board shall establish a Directors' Nomination Panel (the Panel) comprising of:

(a) A chairperson nominated by the President of NZ Institute of Directors and endorsed by the Board of HRNZ.

(b) Three persons nominated by the National Forum established under clause 12.1.

(c) A person nominated by the Board who is not necessarily a member of the Board.

13.2 In the event that the National Forum cannot reach a consensus on their three nominees to the Panel the Panel's Secretary will conduct a ballot of each member of the National Forum with each member having three votes each which may be split.

13.3 Any vacancy in the Panel may be filled by the appointing body in clause 13.1

13.4 **Eligibility and Term**

(a) Every person appointed to the Panel shall hold office for three years and may be eligible to be reappointed with a maximum term of nine years, cumulatively.

(b) A person is not eligible to be appointed or continue as a member of the Panel who would not be eligible to be appointed or continue as a director.

13.5 **Panel Procedures**

(a) The quorum for the Panel is three members (that must include the chairperson) attending in person or virtually.

(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.

(e) On or before 31 March each year the Panel Secretary will notify the appointing bodies established under clause 13.1, the clubs, the kindred bodies, the National Forum, the regional forums, and the chief executive, if any member of the Panel's term is due to expire in that year.

(f) The Panel shall appoint a secretary (the panel secretary) who may be an employee of HRNZ.

13.6 **Procedural Error**

No act, proceedings, determination, or matter of the Panel or of any person acting as a member or of the Panel shall be invalidated because of a vacancy in the membership of the Panel 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 they were ineligible or incapable of acting or being a member.

## 14 The Board - Composition, Eligibility, Recruitment, and Appointment

14.1 **Composition**

(a) The Board shall comprise eight persons, reducing to seven persons (to be known as "directors") at the end of the 2024 annual general meeting.

(b) Four of the seven directors shall be nominated by the Panel and elected by the members and three shall be appointed by the Panel.

(c) The Panel may appoint an additional director if the Board and Panel determine there is a significant skill gap in the Board for a term that expires at the end of the next annual general meeting.

14.2 **Eligibility to be a Director**

A person is not eligible to be elected, appointed as, or continue to be a director who:

(a) Is a paid official of HRNZ.

(b) Has at any time been, or is, disqualified for any serious racing offence under the rules of harness racing, the rules of racing, or a corrupt practice under the former 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.

(c) Has at any time been convicted of an offence or crime referred to in Schedule 1 of the rules made under section 40 of the Racing Industry Act 2020.

(d) 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 and not restored to that register.

(e) Is disqualified as holding office under the Incorporated Societies Act 2022.

(f) Has from the 2019 annual general meeting of HRNZ been a member of the Board for a total of nine (9) years either consecutively or otherwise, unless approved by special resolution of HRNZ.

14.3 **Director not to hold office in a club or kindred body of HRNZ**

A person who is elected or appointed as a director of HRNZ must immediately resign from any position they hold in a committee or board or office they hold in any member of HRNZ.

14.4 **Director Vacancy**

The office of any member of the Board shall become vacant:

(a) after the annual general meeting in their third year of office, except as provided in clause 15.1(c);

(b) if they resign in writing addressed to the chief executive;

(c) if they are absent without leave of the Board for more than two successive Board meetings;

(d) if they suffer from incapacity affecting their performance of duty, neglect of duty, or misconduct established to the satisfaction and in the sole discretion of the Board;

(e) if they die or become ineligible to continue to hold office under clause 14.2 or 14.3;

(f) if they are removed from office by resolution of a meeting of the Board or HRNZ;

(g) if they become bankrupt; or

(h) if in the opinion of the Board they have bought the sport of harness racing, the Board, or HRNZ into disrepute irrespective of whether the conduct is related to the sport or not.

14.5 **Recruitment of Directors**

Prior to each recruitment for a director(s) the chief executive, after consulting the National Forum, shall:

(a) advise the Panel of skills, competencies, and diversity that the Board and the National Forum believes need strengthening within their current group;

(b) provide a generic position description for the role of member of the Board including terms and conditions of remuneration; and

(c) engage a professional recruitment firm to assist with the recruitment process including but not limited to recommending a short list of candidates to the Panel.

14.6 **Nomination process**

(a) The Panel Secretary shall notify the Panel, the clubs, kindred bodies, the National Forum, and the regional forums:

(i) no later than 30 April for the number of pending vacancies to be filled that year at the annual general meeting; or

(ii) within one month of a casual vacancy arising (except when a director's position term has less than a year left on the Board).

(b) The Panel Secretary shall initiate the recruitment process in consultation with the Panel chair by notifying the chief executive, the clubs, the kindred bodies, the National Forum, and the regional forums as the Panel's approved procedures require.

(c) The Panel must ensure:

(i) that their nominations and appointments comply with the requirements of section 45 and 47 of the Incorporated Societies Act 2022; and

(ii) that a majority of the directors have an affinity with and connection to the sport of harness racing.

(d) The Panel shall notify the chief executive and the National Forum of the name of the person or persons it is proposing to nominate or appoint as a director, with a supporting brief of the qualifications for each nominated person and a general overview report on the recruitment process:

(i) by 20 August (or such other date as is approved by the Board) in any year for the usual cycle leading to the annual general meeting; and

(ii) at least eight weeks (or such other period as is approved by the Board) prior to a special general meeting called to fill a casual vacancy of an elected member.

(e) The National Forum may, no later than two weeks after receiving the advice under clause 14.6(d), ask the Panel to reconsider a candidate for election as director if they identify a serious impediment in a candidate's ability to perform their duties in a professional and independent manner and the Panel shall review its decision to nominate that person and may either:

(i) confirm its decision; or

(ii) propose a new candidate for the vacancy.

(f) The Panel shall nominate one nominee for each election vacancy provided they have suitable candidates.

(g) The chief executive shall notify the member clubs and kindred bodies at least 20 working days before the general meeting at which the nomination is to be considered of the Panel's nominees as a director the Panel's qualification's brief.

(h) At the general meeting the members entitled to vote shall consider each vacancy individually and vote for or against each nominee.

(i) A nominee shall be declared elected on achieving a more than 50 per cent of the votes cast.

(j) If a nominee is not elected at a general meeting the Panel may offer an alternate nominee from that recruitment round at that meeting.

14.7 **Unfilled vacancies**

(a) If the Panel not being able to recommend sufficient suitable nominees to fill the vacancies or a nominee is not elected at a general meeting the Panel may start the recruitment round again.

(b) The director's position shall remain vacant until filled under clause 14.7(a) unless the Board and the Panel agree that a director who retired at that meeting shall remain in office until the vacancy is filled.

14.8 **Vacancy within a director's term**

(a) If a vacancy occurs in the first two years of an elected director's term, a new director

shall be elected and clauses 14.4 to 14.7 shall apply with necessary modification for the balance of the vacating director's term.

(b) If the vacancy occurs in the first two years of an appointed director's term, the Panel shall appoint the director to replace the appointed director for the balance of the vacating director's term.

(c) If a vacancy occurs in any director's position that has less than a year left in the term the Board may fill the position with its nominee provided the Panel by majority vote endorses the nominee and that person shall fill that term for the balance of the term.

14.9 **Procedural Error**

No act, proceedings, determination or matter of the Board, or of any person acting as a director 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 director, or that they were ineligible or incapable of acting or being a director.

14.10 **Transitional Provisions**

(a) The former clauses 10.34 and 10.35 shall continue to apply to Board members until the end of the 2024 annual general meeting.

(b) At the end of the 2024 annual general meeting all Board members must retire and seven director's positions become vacant.

(c) For the avoidance of doubt a Board member who vacates office at the end of the 2024 annual general meeting may be nominated by the Panel and re-elected providing they are not otherwise ineligible for election or appointment.

(d) Within three months after the conclusion of the 2024 annual general meeting the directors shall decide which elected director and appointed director shall retire at the end of each of the 2025 and 2026 annual general meeting. In the event agreement is not reached the directors shall determine by lot which directors shall retire at the end of the 2025 and 2026 annual general meeting.

(e) For the avoidance of doubt the 2025 and 2026 annual general meeting will fill two vacancies on the Board and the 2027 annual general meeting will fill three vacancies, and then the annual rotation continues.

## 15 Directors Term of Office

### 15.1 **Term of Office**

(a) Every person elected to be a director comes into office from the conclusion of the meeting at which they are declared to be duly elected.

(b) A director's term of office ends at the conclusion of the annual general meeting in their third year of office unless they sooner vacate office.

(c) A director who is elected or appointed to replace a director during their three-year term of office ends at the same time as the director they replaced.

(d) Clause 15.1(b) and (c) is subject to any other provision of this Constitution.

(e) For the avoidance of doubt a director who vacates office may be nominated by the Panel and re-elected providing they are not otherwise ineligible for election.

## 16 Board – Function and powers

### 16.1 **Functions**

(a) The Board is to govern, and to direct or supervise the management of the operation and affairs of HRNZ, and to ensure the requirements of this Constitution, the rules of harness racing, and the Racing Industry Act 2020 are complied with.

(b) The Board is to ensure that all officers of HRNZ comply with their obligations under the Incorporated Societies Act 2022.

(c) The Board is to ensure the enhancement and advancement of the sport of harness racing in New Zealand consistent with its moral and statutory obligations.

### 16.2 **Powers**

The Board has all the powers necessary for governing to exercise its functions subject to any modifications, exceptions, or limitations in this Constitution, the rules of harness racing, or the Racing Industry Act 2020.

## 17 Chairperson, deputy chairperson and finance chairperson

### 17.1 **Appointment or election of chairperson, deputy chairperson and finance chairperson**

(a) The Board shall appoint one of its members to the office of chairperson, deputy chairperson, and finance chairperson immediately following the conclusion of each annual general meeting and at such other time or times as may be required.

(b) If more than one person is nominated for the position of chairperson, an election shall be held.

(c) Where there is an equality of votes between candidates, a second ballot shall be held.

(d) In the event of an equality of votes after the second ballot, the chairperson shall be determined by lot.

(e) The Board may seek assistance from the chief executive in conducting a ballot and in any determination by lot.

(f) The chairperson, deputy chairperson, and finance chairperson upon being appointed by the Board shall come into office and shall continue to hold that office until their successor is appointed and comes into office unless they resign as a director.

(g) The chairperson, deputy chairperson, and finance chairperson may resign that office by writing addressed to the chief executive at any time.

(h) The chairperson, deputy chairperson, and finance chairperson shall resign that office upon request of a majority of directors.

(i) At any time the office of chairperson, deputy chairperson, and finance chairperson becomes vacant the Board shall appoint one of its members to the relevant office.

### 17.2 **Incapacity**

When on account of illness, incapacity, or absence from New Zealand, the chairperson is unable to perform the duties of their office the person who may exercise and perform all the powers, duties, and functions of the chairperson so long as inability continues is:

(a) the deputy chairperson; or

(b) in the case of the deputy chairperson's incapacity or absence from New Zealand, a member of the Board appointed by the remaining directors.

## 18 Chief Executive

### 18.1 **Chief Executive**

(a) The Board may appoint a chief executive.

(b) The chief executive shall:

(i) be in charge of all employees of HRNZ;

(ii) be responsible to the Board and be under its general direction and control;

(iii) exercise all powers and duties of the chief executive under this Constitution and the rules of harness racing; and

(iv) perform all other duties properly relating to their office.

(c) To assist the chief executive to carry out their duties the chief executive may employ persons (not otherwise provided for in this Constitution or the rules of harness racing) when authorised by, and on terms and conditions, if any, approved by the Board.

## 19 Meetings of the Board

### 19.1 **Board meetings**

(a) A minimum of one (1) meeting of the Board must be held approximately every two calendar months at such times and places and in such manner (including by audio, audio visual, electronic communication or any combination) as it may determine and otherwise where and as convened by the chairperson.

(b) A meeting of the Board must be convened when requested by a majority of the directors.

### 19.2 **Board Quorum**

(a) The quorum for Board meetings is a simple majority of the directors.

(b) No business may be transacted at a Board meeting if a quorum is not present.

(c) The special committee of the Board (comprising of the chairperson, deputy chairperson, and one other director) may act on behalf of the Board if the need arises between meetings of the Board. The chairman or chief executive must report any steps taken by the special committee to the directors.

19.3 **Board Voting**

(a) On any question put to the vote each director present shall have one vote, and in case of an equality of votes the chairperson shall have a deciding vote.

(b) Every resolution and special resolution shall be binding upon all directors.

(c) Directors are entitled to endeavour to have any decision modified or rescinded and to speak in support of such modification or rescission at a meeting of the Board.

19.4 **Chief Executive**

(a) The chief executive is entitled to attend all meetings of the Board unless otherwise directed by the Board and to speak at such meetings but shall have no voting rights.

(b) If the chief executive is unable to attend a meeting his or her nominee is to attend in his or her place.

19.5 **Minutes**

The chief executive shall ensure the proceedings of each Board meeting are properly recorded in the Board minutes.

## 20 Officers of HRNZ

20.1 **Officers**

(a) All directors (including the chairperson, deputy chairperson, and finance chairperson) are officers of HRNZ.

(b) The chief executive is an officer of HRNZ.

(c) The Board may appoint additional persons as an officer of HRNZ.

## 21 Officer's duties

21.1 **Officer's duties**

The directors, the chief executive, and any other person appointed as an officer must comply with the officers' duties in sections 54 to 65 of the Incorporated Societies Act 2022 and set out in the Fifth Schedule.

22.1 **Conflicts of interests**

(a) An officer is interested in a matter if the officer:

(i) may obtain a benefit from the matter; or

(ii) is the spouse, civil union partner, de facto partner, child, parent, grandparent, grandchild, or first cousin of a person who may obtain a benefit from the matter; or

(iii) may have a financial interest in a person to whom the matter relates; or

(iv) is a partner, director, member of the committee, board member, or trustee of a person who may have a financial interest in a person to whom the matter relates.

(b) However, an officer is not interested in a matter:

(i) merely because they receive an indemnity, insurance cover, remuneration, or other benefits authorised under the Incorporated Societies Act 2022;

(ii) if the officer's interest is the same or substantially the same as the benefit or interest of all or most other members due to the membership of those members; or

(iii) if the officer's interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence the officer in carrying out the officer's responsibilities under the Incorporated Societies Act 2022 or this Constitution.

(c) An officer who is interested in a matter relating to HRNZ must disclose details of the nature and extent of the interest (including any monetary value of the interest if it can be quantified):

(i) to the Board; and

(ii) in the interests register kept by the Board.

(d) Disclosure must be made as soon as practicable after the officer becomes aware that they are interested in the matter.

(e) An officer who is interested in a matter:

(i) must not vote or take part in the decision of the Board relating to the matter; and

(ii) must not sign any document relating to the entry into a transaction or the initiation of the matter; but

(iii) may take part in any discussion of the Board relating to the matter and be present at the time of the decision of the Board (unless the Board decides otherwise).

(f) A director who is prevented from voting on a matter may still be counted to determine whether there is a quorum at any meeting at which the matter is considered.

(g) Where 50 per cent or more of directors are prevented from voting on a matter because they are interested in that matter, a special general meeting must be called to consider and determine the matter, unless all non-interested members agree otherwise.

## 23 Sub-committees and delegation

### 23.1 **Sub-committees and delegation**

(a) The Board may delegate to a sub-committee, a director, the chief executive, or an employee of HRNZ, any one or more of its powers, vested in the Board by this Constitution, the rules of harness racing, or the Incorporated Societies Act 2022 except those powers specified in Schedule 4.

(b) A sub-committee:

(i) May include persons appointed by the Board who are not directors, but the Board must appoint a director or employee of HRNZ to chair that sub-committee.

(ii) May co-opt or second any person it deems necessary (provided the sub-committee resolves to do so and the sub-committees chair approves) to assist the sub-committee to carry out its duties on a short-term basis.

(iii) Has no power to bind HRNZ unless specifically authorised by the Board in writing.

(c) No person shall be appointed to a sub-committee or appointed as a delegate who would not be eligible to be a director under clause 14.2 (Eligibility as a director).

(d) A sub-committee or person the Board delegates a power to:

(i) must comply with any requirements imposed on it by the Board;

(ii) must not sub-delegate any of the powers unless permitted to do so;

(iii) must comply with the duties of officers in clause 21 and the clauses relating to conflict of interest in clause 22; and

(iv) subject to any other provision of this Constitution rules, the sub-committee or delegate may regulate its conduct and proceedings.

23.2 **Review of delegated decisions**

Where the Board delegates a power to the chief executive or an employee of HRNZ under this Constitution or the rules of harness racing and the person is dissatisfied with a decision of the Chief Executive, the person authorised to act on the chief executive's behalf, or the employee may apply to the Board to review the decision.

## 24 Register of interests

24.1 **Register of interest**

The chief executive, or such other person directed by the Board, shall at all times maintain an up-to-date register of the interests disclosed by officers and sub-committee members.

## 25 Access to other information

25.1 **Access to other information**

(a) A member may at any time make a written request to the chief executive for information held by HRNZ. The request must specify the information sought in sufficient detail to enable the information to be identified.

(b) The chief executive must, within a reasonable time after receiving a request:

(i) provide the information;

(ii) agree to provide the information within a specified period;

(iii) agree to provide the information within a specified period if the member pays a reasonable charge to HRNZ (which must be specified and explained) to meet

the cost of providing the information; or

(iv) refuse to provide the information, specifying the reasons for the refusal.

(c) Without limiting the reasons for which HRNZ may refuse to provide the information, HRNZ may refuse to provide the information if:

(i) withholding the information is necessary to protect the privacy of natural persons, including that of deceased natural persons;

(ii) the disclosure of the information would, or would be likely to, prejudice the commercial position of HRNZ or of any of its members;

(iii) the disclosure of the information would, or would be likely to, prejudice the financial or commercial position of any other person, whether or not that person supplied the information to HRNZ;

(iv) withholding the information is necessary to maintain legal professional privilege;

(v) the disclosure of the information would or would be likely to breach an enactment;

(vi) the burden to the society in responding to the request is substantially disproportionate to any benefit that the member (or any other person) will or may receive from the disclosure of the information; or

(vii) the request for the information is frivolous or vexatious.

(d) If HRNZ requires the member to pay a charge for the information, the member may withdraw the request, and must be treated as having done so unless, within 10 working days after receiving notification of the charge, the member informs HRNZ:

(i) that the member will pay the charge; or

(ii) that the member considers the charge to be unreasonable.

Nothing in this clause limits Information Privacy Principle 6 of the Privacy Act 2020.

## 26 Finance

### 26.1 **Balance date**

HRNZ's financial year shall commence on 1 August of each year and end on 31 July in the following year (the latter date being HRNZ's balance date).

### 26.2 **Funds under the Racing Industry Act 2020**

All funds received under section 71 of the Racing Industry Act 2020 or commercial agreement between TAB NZ and HRNZ must be applied in accordance with any distribution agreement between HRNZ and the totalisator clubs.

### 26.3 **Board Expenditure**

(a) In addition to all other powers of expending monies conferred by this Constitution or the rules of harness racing, the Board may:

(i) maintain reserves containing amounts the Board considers appropriate and apply the funds held in reserve in accordance with any policy made by the Board;

(ii) contribute to any patriotic or charitable object;

(iii) expend such of the HRNZ funds as it thinks fit in promoting legislation in the interests of harness racing;

(iv) contribute to the funds of any association or body of persons established for furthering the interests of harness racing or any kindred sport; and

(v) generally expend funds of HRNZ for the benefit or promotion the sport of harness racing; and

(vi) distribute funds to clubs as it sees fit.

26.4 No funds of HRNZ may be used for the placing of bets.

### 26.5 **Control of funds**

(a) The Board shall manage and administer the funds of HRNZ subject to any requirement under the Racing Industry Act 2020, this Constitution, the rules of harness racing, and distribution agreement.

(b) In respect of any arrears or money payable to HRNZ the chief executive may authorise the charging of interest on any monies unpaid after 28 days at a rate of 1.5% above the official cash rate in New Zealand per month or such other rate prescribed by the

Board.

(c) In respect of any arrears or money payable to HRNZ together with any interest charged thereon, the person liable for payment of such arrears, money, or interest shall also pay any fees, costs or expenses incurred by HRNZ either internally or by their agents in recovering such arrears, money, or interest including any commissions and legal costs on a solicitor-client basis.

26.6 **Budget**

(a) The Board shall circulate to all clubs the budget of income and expenditure including the total amount of Board remuneration proposed 20 working days prior to the annual general meeting.

(b) The budget shall include the details of the budgeted:

(i) Operating costs of HRNZ.

(ii) Special projects and initiatives of HRNZ.

(iii) Funding to clubs for venue, race day, and track allowances, and for stakes.

(c) When an amount is allocated in the budget for remuneration of directors, the apportionment of such amount allocated between directors shall be determined by the Board.

26.7 **Accounts**

(a) The Board shall, as soon as practicable after 31 July in each year financial, have prepared and audited financial statements in an approved standardised format (including a statement of financial performance, a statement of financial position and service performance report) showing fully the financial position of HRNZ at the close of the period of 12 months ending on 31 July.

(b) The financial statements shall also include details of budgeted income and expenditure for the period and information for comparison purposes in relation to the same period in the previous year, for:

(i) Operating costs of HRNZ.

(ii) Special projects and initiatives of HRNZ.

(iii) Funding to clubs for venue, raceday and track allowances, and for stakes.

(c) A copy of the audited financial statements shall be submitted to the annual general meeting of HRNZ and forwarded to each totalisator club and kindred body.

(d) The Board shall, as soon as practicable after 31 January in each year, have prepared interim financial statements in an approved standardised format (including a statement of financial performance and a statement of financial position) showing in full the financial position of HRNZ at the close of the 6-month period ending on 31 January. The interim financial statements shall be forwarded to each totalisator club and kindred body.

## 27 Dispute Resolution

### 27.1 **Raising Disputes**

(a) Any grievance or complaint by a member, is to be lodged by the complainant with the chief executive in writing and must provide such details as are necessary to identify the details of the grievance or complaint. All members (including the Board) are obliged to cooperate to resolve disputes efficiently, fairly, and with minimum disruption to HRNZ's activities.

(b) The complainant raising a grievance or complaint, and the Board, must consider and discuss whether a grievance or complaint may best be resolved through informal discussions, mediation or arbitration. Where mediation or arbitration is agreed on, the parties will sign a suitable mediation or arbitration agreement.

### 27.2 **Investigating disputes**

(a) This clause concerns any grievances of members relating to their rights and interests as members, and any complaints concerning the alleged conduct or discipline of members, collectively referred to as "disputes."

(b) These disputes procedures are designed to enable and facilitate the fair, prompt and efficient resolution of grievances and complaints.

(c) Rather than investigate and deal with any grievance or complaint, the Board may:

(i) appoint a sub-committee to deal with the same, or

(ii) refer the same to an external arbitrator, arbitral tribunal, or external visitor (or referee), so long as minimum standards of natural justice and the following requirements under this rule are satisfied.

(iii) The Board or any such sub-committee or person considering any grievance or complaint is referred to hereafter as the "decision-maker".

(d) The decision-maker:

(i) shall consider whether to investigate and deal with the grievance or complaint, and

(ii) may decline to do so (for instance, if the decision-maker is satisfied that the complainant has insufficient interest in the matter or otherwise lacks standing to raise it; the matter is trivial or does not appear to disclose material misconduct or material; the matter raised appears to be without foundation or there is no apparent evidence to support it; some damage to members' interests may arise; or the conduct, incident, event or issue has already been investigated and dealt with by HRNZ).

(e) Where the decision-maker decides to investigate and deal with a grievance, the following steps shall be taken:

(i) The complainant and the member, or HRNZ which is the subject of the grievance, must be advised of all details of the grievance.

(ii) The member, or HRNZ which is the subject of the grievance, must be given an adequate time to prepare a response.

(iii) The complainant and the member, or HRNZ which is the subject of the grievance, must be given an adequate opportunity to be heard, either in writing or at an oral hearing if the decision-maker considers that an oral hearing is required.

(iv) Any oral hearing shall be held by the decision-maker, and/or any written statement or submissions shall be considered by the decision-maker.

(f) A person may not act as a decision-maker if there are reasonable grounds to believe that the person may not be impartial or able to consider the matter without a predetermined view.

27.3 **Resolving disputes**

(a) The decision-maker may:

(i) dismiss a grievance or complaint;

(ii) uphold a grievance and make such directions as the decision-maker thinks appropriate (with which the club and members shall comply); or

(iii) uphold a complaint and reprimand or admonish the member, and/or suspend the member from membership for a specified period, or cancel the member's

membership, and/or order the complainant (if a member) or the member complained against, to meet any of the HRNZ's reasonable costs in dealing with a complaint.

## 28 Alteration to the Constitution

### 28.1 **Amending the Constitution**

(a) HRNZ may amend or replace this Constitution at a general meeting by a resolution passed by a special resolution majority of those members present and voting.

(b) A motion to amend or replace the Constitution may be given by a member or the Board.

(c) Any proposed motion to amend or replace the Constitution by a member shall be given in writing to the chief executive at least 30 working days before the general meeting at which the motion is to be considered and accompanied by a written explanation of the reasons for the proposal.

(d) At least 20 working days before the general meeting at which any amendment is to be considered the chief executive shall give to all members notice of the proposed motion, the reasons for the proposal, and any recommendations the Board has.

(e) When an amendment is approved by a general meeting it shall be notified to the Registrar of Incorporated Societies in the form and manner specified in the Act for registration and shall take effect from the date of registration.

(f) Notwithstanding any other provision of this Constitution, the members shall not amend, alter or add to this Constitution in any manner which is inconsistent with, or contrary to, the rules of harness racing, the Racing Industry Act 2020, the Incorporated Societies Act 2022, the Income Tax Act 2007 and any regulations made under those Acts (or an Act that replaces the Act) and all other applicable legislation. The provisions and effect of this clause shall not be removed from this Constitution and shall be included and implied in any document replacing these rules.

### 28.2 **Minor and technical amendments**

(a) The Board may amend this Constitution if the amendment:

(i) has no more than a minor effect;

(ii) corrects errors or makes similar technical alterations; or

(iii) the amendment is a consequence of an amendment to the Racing Industry Act

2020 or the Incorporated Societies Act 2022.

(b) The Board must ensure that written notice of the amendment is sent to every member.

(c) The notice must state:

(i) the text of the amendment; and

(ii) the right of the member to object to the amendment.

(d) If no objection from a member is received within 20 working days after the date on which the notice is sent HRNZ may make the amendment.

(e) If an objection is received, the Board may not make the amendment.

28.3 **Notification of amendment**

(a) HRNZ must comply with the requirements under the Incorporated Societies Act 2022 in relation to ensuring any amendment to this Constitution is given to the Registrar of Incorporated Societies.

(b) Any amendment to this Constitution must be notified in the official notifications.

## 29 Common Seal

29.1 **Common seal**

(a) The common seal of HRNZ must be kept in the custody of the chief executive.

(b) The common seal may be affixed to any document:

(i) by resolution of the Board, and must be countersigned by two directors; or

(ii) by such other means as the Board may resolve from time to time.

## 30 Contact person

30.1 **Contact person**

(a) The Board must ensure that there is at least one and no more than three persons appointed as a contact person as required by the Incorporated Societies Act 2022.

(b) Any vacancy in the position of contact person must be filled within 20 working days after the vacancy occurs.

(c) The contact person must be:

(i) at least 18 years of age;

(ii) ordinarily resident in New Zealand; and

(iii) not disqualified under the Incorporated Societies Act 2022 from holding that office; and

(iv) appointed by the Board.

(d) Any change in that contact person or that person's name or contact details must be advised to the Registrar of Incorporated Societies within 20 working days of that change occurring, or the club becoming aware of the change.

## 31 Regulations and Policies

### 31.1 **Regulations and policies**

The Board may from time to time:

(a) Make regulations, policies, and give orders and directions authorised by the rules of harness racing.

(b) Make regulations, policies, and give orders and directions not inconsistent with the rules of harness racing as it considers necessary or desirable for the better administration, promotion, or control of harness racing including regulations and issuing directions or requirements to persons forming partnerships under the rules and the disclosure of partnership agreements.

(c) Give orders and directions to, and require particulars or information from participants as it considers necessary.

## 32 Indemnity

### 32.1 **Indemnity**

(a) Except in the case of wilful default, fraudulent acts or omissions, HRNZ may from time to time indemnify against any financial loss howsoever incurred or damages or costs

awarded by any court or tribunal or against costs incurred in defending legal proceedings brought against them all of any of the following persons:

(i) any person employed by HRNZ;

(ii) any director; and

(iii) a contractor or person the Board or chief executive agrees to indemnify -

in respect of anything done or omitted to be done by them in connection with the administration of harness racing or the exercise of any particular power, duty, or function under this Constitution or the rules of harness racing and such power to indemnify may be extended to cases where the authority power, duty or function had been exceeded without bad faith.

(b) HRNZ shall indemnify every employee, director, and agreed contractor or person against any legal proceedings instituted against him or her in respect of any act or thing done by them in the course and within the scope of their duties under this Constitution or the rules and in obeying any order or instruction from the Board.

(c) The Board may, on behalf of HRNZ, exercise the power of indemnity in respect of any person, other than one of its own members.

(d) The Board may affect any proper insurance cover to any employee, member of the Board, or agreed contactor at the expense of HRNZ.

## 33 Matters not provided for

### 33.1 **Matters not provided for**

If any matter shall arise which in the opinion of the Board is not provided for in this Constitution it may be determined by the Board in such manner as it deems fit, and every such determination shall be binding upon all members and other bodies and persons affected.

## 34 Savings

### 34.1 **Savings**

(a) This Constitution and any amendment to the Constitution shall not affect any previous operation of the rules of harness racing or of any decisions made or actions taken in accordance with the rules of the Constitution, or of any rights, privileges, entitlements, obligations, duties, liabilities, penalties or other disqualifications accrued or incurred under the rules or the previous Constitution.

(b) Every regulation, rule, order, policy, agreement, deed, instrument, application, notice or other document whatsoever in force pursuant to the provisions of the former Constitution or the rules shall continue in force.

## 35 Winding Up

### 35.1 **Process**

(a) HRNZ may be wound up, liquidated, or removed from the Register of Incorporated Societies in accordance with the provisions of the Incorporated Societies Act 2022.

(b) The chief executive shall give notice to all members of the proposed motion to wind up HRNZ, or remove it from the Register of Incorporated Societies and of the general meeting at which any such proposal is to be considered, of the reasons for the proposal, and of any recommendations from the Board in respect to such notice of motion.

(c) Any resolution to wind up HRNZ or remove it from the Register of Incorporated Societies must be passed by a special resolution of the members present and voting.

### 35.2 **Surplus assets**

(a) If HRNZ is wound up, or liquidated, or removed from the Register of Incorporated Societies, no distribution shall be made to any member.

**FIRST SCHEDULE**

**Part 1**
**(Members)**

**Registered clubs having betting licences (in the current or previous two racing seasons):**

Akaroa Trotting Club Incorporated
Amberley Trotting Club Incorporated
Ashburton Trotting Club Incorporated
Auckland Trotting Club Incorporated
Banks Peninsula Trotting Club Incorporated
Central Otago Trotting Club Incorporated
Cheviot Harness Racing Club Incorporated
Forbury Park Trotting Club Incorporated
Geraldine Trotting Club Incorporated
Gore Harness Racing Club Incorporated
Hawera Harness Racing Club Incorporated
Hororata Trotting Club Incorporated
Invercargill Harness Racing Club Incorporated
Kaikoura Trotting Club Incorporated
Kapiti Coast Harness Racing Club Incorporated
Kurow Trotting Club Incorporated
Manawatu Harness Racing Club Incorporated
Marlborough Harness Racing Club Incorporated
Methven Trotting Club Incorporated
Nelson Harness Racing Club Incorporated
New Zealand Metropolitan Trotting Club Incorporated
Northern Southland Trotting Club Incorporated
Oamaru Harness Racing Club Incorporated
Rangiora Harness Racing Club Incorporated
Reefton Trotting Club Incorporated
Riverton Trotting Club Incorporated
Roxburgh Trotting Club Incorporated
Timaru Harness Racing Club Incorporated
Tuapeka Harness Racing Club Incorporated
Waikato Bay of Plenty Harness Incorporated
Waikouaiti Trotting Club Incorporated
Waimate Trotting Club Incorporated
Wairarapa Harness Racing Club Incorporated
Wairio Trotting Club Incorporated
Westport Trotting Club Incorporated
Winton Harness Racing Club Incorporated
Wyndham Harness Racing Club Incorporated

**Kindred Bodies**

N.Z. Standardbred Breeders' Association Incorporated
New Zealand Harness Racing Trainers and Drivers Association Incorporated
New Zealand Trotting Owners Association Incorporated

**Part 2**
**(Affiliates)**

**Registered clubs not having betting licences:**

Chertsey Trotting Club Incorporated
Christchurch Trotting Club Incorporated
Hawea Picnic Racing Club
The Kumeu District Trotting Club Incorporated
Mount Hutt Trotting Club
Stratford Trotting Club Incorporated
Taranaki Trotting Club Incorporated *(Dissolved 22 May 2014)*
Thames Harness Racing Club Incorporated
Waitaki Trotting Club
Wanganui Trotting Club Incorporated

**Affiliated Entities:**

Canterbury Country Harness Racing Club Incorporated *(Dissolved 7 February 2023)*
Seddon Harness Racing Group Incorporated
Southern Harness Racing Incorporated
New Zealand Sires Stakes Board Incorporated

**SECOND SCHEDULE**

**Voting**

1. In this schedule:

   **betting licence** means a betting licence issued to a club under s 68 of the Racing Industry Act 2020 as at 1 August in the relevant racing year and includes a betting licence issued for a dual code meeting.

   **dual code meeting** means a race meeting at which harness racing races are conducted together with galloping races or greyhound races.

   **racing year** means the period of one year from 1 August to 31 July.

   **club** means a club listed in the First Schedule of the Constitution of Harness Racing New Zealand Incorporated as a registered club having a betting licence.

2. A club, entitled to vote, shall have during the racing year in which the vote on any matter is to take place:

   (1) one vote for each of the first three betting licences issued to that club in the preceding racing year; and

   (2) after the first three such betting licences issued in the preceding racing year, and one vote for each of the next three betting licences issued up to a maximum of 16 votes as provided in the table set out below.

3. A club, entitled to vote, that had not been issued a betting licence in the preceding racing year in which the vote on any matter is to take place shall have one vote.

4. A kindred body, entitled to vote, shall have three votes.

5. Where two or more clubs combine, the combined club votes shall be calculated by merging betting licences issued to the individual clubs to the combined club.

**Table**

| Number of betting licences | Number of votes | Number of betting licences | Number of votes |
|---|---|---|---|
| 1 | 1 | 22 | 10 |
| 2 | 2 | 23 | 10 |
| 3 | 3 | 24 | 10 |
| 4 | 4 | 25 | 11 |
| 5 | 4 | 26 | 11 |
| 6 | 4 | 27 | 11 |
| 7 | 5 | 28 | 12 |
| 8 | 5 | 29 | 12 |
| 9 | 5 | 30 | 12 |
| 10 | 6 | 31 | 13 |
| 11 | 6 | 32 | 13 |
| 12 | 6 | 33 | 13 |
| 13 | 7 | 34 | 14 |
| 14 | 7 | 35 | 14 |
| 15 | 7 | 36 | 14 |
| 16 | 8 | 37 | 15 |
| 17 | 8 | 38 | 15 |
| 18 | 8 | 39 | 15 |
| 19 | 9 | 40 | 16 |
| 20 | 9 | 41 | 16 |
| 21 | 9 | 42 | 16 |

**THIRD SCHEDULE**

**Powers that must be exercised at a general meeting**

1. The following powers may only be exercised by the members at a general meeting of HRNZ:

    (a) Amending the Constitution other than:

        (i) Minor or technical amendments in accordance with clause 28.2.

        (ii) Updating the list of member totalisator clubs and associate members in the First Schedule.

    (b) The purchase or sale of any real property.

    (c) The raising of finance by way of mortgage security.

**FOURTH SCHEDULE**

**Board powers that cannot be delegated**

1. The following powers may only be exercised by the Board and may not be delegated:

   (a) The granting or refusing an application to become a registered member or for associate membership.

   (b) Cancelling or suspending registration of a member or associate membership.

   (c) The appointment of the chief executive.

   (d) Approving the strategic plan.

   (e) Approving of the statement of intent under section 16 of the Racing Industry Act 2020.

   (f) Approving the business plan under section 17 of the Racing Industry Acy 2020.

   (g) Approving the annual report under section 18 of the Racing Industry Act 2020.

   (h) Approving the annual budget

   (i) Approving any property investment strategy under section 33 of the Racing Industry Acy 2020.

   (j) The lease of any real property.

   (k) The making of regulations under the Constitution or the rules.

   (l) Any other power the members by special resolution at a general meeting of HRNZ resolve should not be delegated.

**FIFTH SCHEDULE**

**Officers' duties in s 54 to 61 of the Incorporated Societies Act 2022**

*Officers' duties*

54 **Duty of officers to act in good faith and in best interests of society**

(1) An officer, when exercising powers or performing duties as an officer, must act in good faith and in what the officer believes to be the best interests of the society.

(2) This section does not limit the power of an officer to make provision for the benefit of employees of the society in connection with the society ceasing to carry on the whole or part of its activities.

(3) In subsection (2), employees includes former employees and the dependants of employees or former employees, but does not include an employee or a former employee who is or was an officer of the society.

55 **Powers must be exercised for proper purpose**

An officer must exercise a power as an officer for a proper purpose.

56 **Officers must comply with Act and constitution**

An officer must not act, or agree to the society acting, in a manner that contravenes this Act or the constitution of the society.

57 **Officer's duty of care**

An officer, when exercising powers or performing duties as an officer, must exercise the care and diligence that a reasonable person with the same responsibilities would exercise in the same circumstances, taking into account, but without limitation, —

(a) the nature of the society; and

(b) the nature of the decision; and

(c) the position of the officer and the nature of the responsibilities undertaken by them.

58 **Duty relating to activities that create substantial risk of serious loss to creditors**

An officer must not—

(a) agree to the activities of the society being carried on in a manner likely to create a substantial risk of serious loss to the society's creditors; or

(b) cause or allow the activities of the society to be carried on in a manner likely to create a substantial risk of serious loss to the society's creditors.

59 **Duty in relation to obligations**

An officer must not agree to the society incurring an obligation unless the officer believes at that time on reasonable grounds that the society will be able to perform the obligation when it is required to do so.

60 **Use of information and advice**

(1) An officer, when exercising powers or performing duties as an officer, may rely on reports, statements, and financial data and other information prepared or supplied, and on professional or expert advice given, by any of the following persons:

(a) an employee of the society whom the officer believes on reasonable grounds to be reliable and competent in relation to the matters concerned:

(b) a professional adviser or expert in relation to matters that the officer believes on reasonable grounds to be within the person's professional or expert competence:

(c) any other officer or subcommittee of officers upon which the officer did not serve in relation to matters within the officer's or subcommittee's designated authority.

(2) However, subsection (1) applies to an officer only if the officer—

(a) acts in good faith; and

(b) makes proper inquiry where the need for inquiry is indicated by the circumstances; and

(c) has no knowledge that the reliance is unwarranted.

61 **Duties owed to society**

The duties in sections 54 to 59 are owed to the society (rather than to members).