

20 October 2023

## OFFICIAL NOTICE

### AMENDMENTS TO THE NEW ZEALAND RULES OF HARNES RACING AND HARNES RACING NEW ZEALAND CONSTITUTION

Under the Racing Industry Act 2020 and the New Zealand Rules of Harness Racing, the following Rules of New Zealand Harness Racing (the Rules) and Harness Racing New Zealand Incorporated Constitution (the Constitution) were amended at the Annual Meeting of Harness Racing New Zealand Incorporated held on 14 October 2023 at Christchurch and come into force as set out below.

The full amended Rules and Constitution will be available on the HRNZ website on 1 November 2023.

#### **AMENDMENTS WHICH COME INTO EFFECT ON 23 OCTOBER 2023**

**1. Rule 1304(1)(a) – Effect of Suspension for Drivers**  
***This amendment comes into force on 23 October 2023***

Rule 1304(1)(a) and (b) is amended to state:

- 1304 (1) *Every suspension of a driver or a driver’s licence imposed by an Adjudicative Committee during any day of a race meeting shall take effect as follows:*
- (a) *on the completion of the driver’s driving engagements on the day the suspension is imposed if at that time the driver has no engagements to drive a horse in a betting race during the next ten days; or*
  - (b) *if on the day the suspension is imposed the driver has engagements to drive a horse in a betting race during the next ten days then from the earlier of:*
    - (i) *the completion of such engagements within that ten-day period; or*
    - (ii) *the completion of that ten-day period.*

#### **AMENDMENTS WHICH COME INTO EFFECT ON 1 NOVEMBER 2023**

**2. Rule 303(2) – Application of the Misconduct Rule**  
***This amendment comes into force on 1 November 2023***

Rule 303(2) is amended to state:

- 303 (2) *No person or body to whom these rules apply shall:*
- (a) *misconduct themselves; or*
  - (b) *fail to comply with any request, direction, or instruction of any Stipendiary Steward, Racing Investigator, Starter, race-day veterinarian, or paid official.*

3. **Rule 507B – Length of Time Drivers Required to Remain on Track**

***This amendment comes into force on 1 November 2023***

Rule 507B is amended to state:

507B *A driver shall remain on the racecourse for a period of 25 minutes after each race in which he or she has driven unless permission has been otherwise given by a Stipendiary Steward.*

4. **Rule 1101 and 1110(1) and (6) - Minor Infringements**

***This amendment comes into force on 1 November 2023***

The definition of Minor Infringement Regulations in rule 1101 is amended to state:

***Minor Infringement Regulations means the Minor Infringement Regulations made by the Board***

Rule 1110(1) and (6) is amended to state:

- (1) *A person who commits a breach of the rules set out in the Minor Infringement Regulations, may in writing:*
  - (a) *admit the breach; and*
  - (b) *accept the sanction for the breach specified in the Minor Infringement Regulations.*
  
- (6) *Where the person does not admit the breach the Minor Infringement Notice shall be the information for the purpose of rule 1105 and an Adjudicative Committee shall determine whether the breach has been committed and may impose any sanction provided in the Rules.*

The Fourth Schedule of the Rules is deleted.

5. **Rules 1705 to 1709 – Horse Care Rules**

***This amendment comes into force on 1 November 2023***

Rules 1705 to 1709 are amended to state:

***Horse Care Compliance Notices***

1705 *A Horse Care Compliance Notice is either an Improvement Notice or a Possession Notice.*

1706 (1) *An Improvement Notice may be issued under the Horse Care Regulations if there are reasonable grounds to believe the accountable person:*

- (a) *has contravened rule 1702 and will continue to do so; or*
- (b) *is likely to contravene rule 1702.*

(2) *An Improvement Notice may:*

- (a) *Require the person to, or to get another person to, cease acting in a manner that the Racing Investigator or Stipendiary Steward has reasonable cause to*

*believe contravenes or is likely to contravene rule 1702.*

- (b) Require the person to, or to get another person to do some act or other thing that the Racing Investigator or Stipendiary Steward reasonably believes is necessary to ensure that the person complies with rule 1702.*
- (c) Prohibit the person from acting in a manner or prohibit some other person to act in a manner that the Racing Investigator or Stipendiary Steward has reasonable cause to believe contravenes or is likely to contravene rule 1702.*

*1707 A Possession Notice may be issued under the Horse Care Regulations if a Stipendiary Steward or Racing Investigator is satisfied the welfare of the horse requires the horse to be removed from the property.*

*1708 Deleted*

### **Horse Care Regulations**

*1709 The Horse Care Regulations made by the Board may include (without limitation):*

- (a) Horse care principles that participants must comply with.*
- (a) Duties and responsibilities of the Accountable Person.*
- (b) Information that must be included in a Horse Care Compliance Notice.*
- (c) On whom a Horse Care Compliance Notice must be served.*
- (d) The procedure for a person issued with a Horse Care Compliance Notice, or who has a direct interest in the horse, to have the Notice withdrawn, cancelled, or amended.*
- (d) Any other matter relating to a Horse Care Compliance Notice the Board considers appropriate.*
- (e) A participant's liability for costs associated with a possession notice.*
- (f) Any other matter relating to an improvement notice, a possession notice, or horse care the Board considers appropriate.*

**6. Rule 105 definition of STAKE and rules 110, 112, 429, 510, 511, 801, 802, 803, 804, 805, 806, and 881 – Matters Relating to Use of Funds and/or Payment of Stakes**  
***This amendment comes into force on 1 November 2023***

The definition of stake in rule 105 is amended to state:

**STAKE** means:

- a. any prize given including a cup, trophy, or other description of a prize that may be competed for (but not a trophy not won outright); and*
- b. any stake monies that may be competed for; but*
- c. for the purposes of the Handicapping System or statistical purposes means only stake money won.*

Rules 110, 112, 429, 510, 511, 801, 802, 803, 804, 805, 806, and 881 are deleted and the following new rules are inserted:

- 112 *No Club shall, without the prior approval of the Board, expend any monies received by it except in payment of stakes, in improving the racecourse used by it and the amenities thereof, in the provision of training facilities, in the purchase of equipment, in administration charges, payments of any monies due by it to HRNZ under these Rules or in the interests of harness racing generally or for any patriotic or charitable purposes, or in payment of any debt contracted by it in respect of any of the foregoing purposes and of reasonable interest on any such debt*
- 429 (1) *When a registered Joint Interest provides for the payment of a sum of money out of any stakes earned by a horse and such horse earns any stake monies, the person entitled to the payment may serve notice on the Club liable to pay such stakes, of the claim or HRNZ.*
- (2) *The Club shall forward a copy of any notice received to HRNZ.*
- (3) *HRNZ on behalf of the Club shall retain the amount of the stake claimed and:*
- (a) *with the consent of all parties, pay the same to the claimant; or*
- (b) *if this consent cannot be obtained, then HRNZ shall retain the amount until a final judgement of a Court of Law is obtained declaring who is entitled to such amount, and such amount, less any legal costs incurred by the Club or HRNZ shall thereupon be paid in accordance with such judgement.*
- 801 (1) *Each Club shall discharge its liability for stakes.*
- (2) *A club must within five working days forward to HRNZ:*
- (a) *Any funds received for the payment of stakes.*
- (b) *Any funds the club allocates for the payment of stakes.*
- (3) *HRNZ must hold stake monies on behalf of Club's in a separate account.*
- (4) *Any stake money in respect of which there is an obligation under these Rules on the Club to retain or hold, shall be retained or held by HRNZ on behalf of the Club*
- (5) *Proceedings for the return of a stake under rule 1115(4) may be commenced by HRNZ on behalf of the Club*
- (6) *The Board may make regulations known as the Centralised Stakes Payment Scheme Regulations that shall apply to the payment of stake monies by HRNZ on behalf of Clubs.*
- (7) *Any notice, information, or direction under these Rules or the Centralised Stakes Payment Regulations required to be provided or supplied to the Club, shall also be provided or supplied to HRNZ.*
- 803 (1) *HRNZ may deduct from any stake monies:*

- (a) *any monies owing to the Club or HRNZ by the person entitled to receive the stake; and*
  - (b) *any other deduction that may be made under the Rules or by law.*
- 804 (1) *The owner (or, where appropriate, the racing manager of the owner), the trainer, and driver of every horse which is entered in a race must before the horse starts notify HRNZ or the Club in writing:*
  - (a) *whether they are registered under the Goods and Services Tax Act 1985 and carrying on a taxable activity within the meaning of that Act;*
  - (b) *if they are so, their Goods and Services Tax (GST) registration number;*
  - (c) *if they are no longer registered for GST; and*
  - (d) *any other change in GST registration status*
- (2) *Where the person notifies the Club under sub-rule (1) the Club must forward the notice to HRNZ.*
- (3) *Sub-rule (1) does not apply if the owner, trainer or driver has previously notified HRNZ or the Club they are registered for GST and their GST registration number.*
- 805 (1) *HRNZ, on behalf of the Club, shall pay all stakes monies (and any Goods and Services Tax applicable) to the owner, trainer, or driver under the Centralised Stakes Payment Scheme Regulations unless:*
  - (a) *unless a proceeding or an appeal affecting them is being held or is pending;*
  - (b) *any examination, inspection, observation or sample in relation to any horse placed by the Judge is made or taken under these Rules relating to the administration to a horse of a prohibited substance;*
  - (c) *the stake monies or part thereof is required to deducted or withheld under the Rules.*
- (2) *At the time the monetary stake is payable under these rules the Club shall be responsible for the delivery of any trophy or other prize not in money (and the payment of any applicable Goods and Services Tax.*
- (3) *Where sub-rule (1)(b) applies no stakes or prizes shall be paid or delivered in respect of any such horse until:*
  - (a) *the result of such examination, inspection, observation has been notified by the Chief Executive (or his or her nominee); or*
  - (b) *if as the result of such test an information is to be filed until such time as the proceeding and any appeals have been determined.*
- (4) *Where on the determination of any investigation, proceeding or appeal a horse is disqualified from its original placing any stake shall be paid and delivered in accordance with the amended placings.*

- 881 (1) *HRNZ, on behalf of a Club, shall hold the stakes in respect of each race for a period of 7 days or pending the result of the analysis of any sample pursuant to Rule 214(3) hereof whichever is the later.*
- (2) *After a period referred to in sub-rule (1) and such further period provided in the Centralised Stakes Payment Scheme Regulations the HRNZ, shall pay or deliver the stake in accordance with the placings of the horse in the race as set out in the authority for payment of dividends unless:-*
- (a) *the Chief Executive (or his or her nominee) deducts or withholds payment of the stake or any part thereof under the Rules;*
- (b) *proceedings have been commenced before an Adjudicative Committee which may affect to whom the stake or any part thereof is paid; or*
- (c) *the time for filing an appeal has not expired, or the hearing of an appeal the determination of which may affect to whom the stake or any part thereof is paid, has not been concluded.*
- (3) *Where delivery or payment of the stake has been withheld pursuant to paragraph (a), (b) and (c) of sub-rule (2) hereof the stake shall be paid when directed by the Chief Executive (or his or her nominee) or in accordance with the Tribunals decision whichever the case may be.*

**7. Part 15 of the Constitution – Matters Relating to Finance**

***This amendment comes into force on 1 November 2023***

The Constitution is amended by deleting clauses 15.1 to 15.3 and inserting new clauses 15.1 to 15.16 that state:

**15. Finance**

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***Balance date***

- 15.1 *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).*

***Funds received under the Racing Industry Act 2020***

- 15.2 *All funds received under the Racing Industry Act 2020 must be applied in accordance with that Act, a commercial agreement between HRNZ and TAB NZ under that Act, and any distribution agreement under that Act.*

***Board Expenditure***

- 15.3 *Subject to any direction that may be given at a meeting of HRNZ the Board may incur necessary expenditure to carry out the business and activities of HRNZ.*

- 15.4 *In addition to all other powers of expending monies conferred by this Constitution or the rules of harness racing, the Board may:*

- 15.4.1 *maintain reserves containing amounts the Board considers appropriate and apply the*

*funds held in reserve in accordance with any policy made by the Board;*

- 15.4.2 *contribute to any patriotic or charitable object;*
  - 15.4.3 *expend such of the HRNZ funds as it thinks fit in promoting legislation in the interests of harness racing;*
  - 15.4.4 *contribute to the funds of any association or body of persons established for furthering the interests of harness racing or any kindred sport; and*
  - 15.4.5 *generally expend funds of HRNZ for the benefit or promotion the sport of harness racing; and*
  - 15.4.6 *distribute funds to clubs as it sees fit.*
- 15.5 *No funds of HRNZ may be used for the placing of bets.*

***Investment and control of funds***

- 15.6 *The Board shall manage and administer the funds of HRNZ subject to any requirement under the Racing Industry Act 2020 and subject to any directions as may from time to time be given at any general meeting.*
- 15.7 *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 as prescribed by the Board.*
- 15.8 *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.*

***Budget***

- 15.9 *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.*
- 15.10 *The budget shall include the details of the budgeted:*
  - 15.10.1 *Operating costs of HRNZ.*
  - 15.10.2 *Special projects and initiatives of HRNZ.*
  - 15.10.3 *Funding to clubs for venue, raceday and track allowances, and for stakes.*
- 15.11 *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.*

***Accounts***

- 15.12 *The financial year of HRNZ shall be the 12-month period ending on 31 July.*

- 15.13 *The Board shall cause to be prepared and audited as soon as practicable after 31 July in each year financial statements in an approved standardised format (including a statement of financial performance and a statement of financial position) showing fully the financial position of HRNZ at the close of the period of 12 months ending on 31 July.*
- 15.14 *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:*
- 15.14.1 *Operating costs of HRNZ.*
- 15.14.2 *Special projects and initiatives of HRNZ.*
- 15.14.3 *Funding to clubs for venue, raceday and track allowances, and for stakes.*
- 15.15 *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.*
- 15.16 *The Board shall cause to be prepared as soon as practicable after 31 January in each year interim financial statements in an approved standardised format (including a statement of financial performance and a statement of financial position) showing fully 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.*

#### **SPECIAL RESOLUTION WHICH COMES INTO EFFECT ON 17 NOVEMBER 2023**

**8. Voting - Second Schedule of the Constitution of HRNZ and the Third Schedule of the Rules  
*This amendment comes into force on 17 November 2023***

That the amendment passed at the 2020 Annual General Meeting amending the voting system in the Second Schedule of the Constitution of HRNZ and the Third Schedule of the Rules for two years ending on 17 November 2022, and extended for a further year at the 2022 AGM to 17 November 2023, be extended for one further year to end on 17 November 2024 subject to any alternative voting system being adopted.

If no alternative voting system is adopted on or before 17 November 2024 the voting system shall revert to that provided in the Constitution and the New Zealand Rules of Harness Racing immediately before the 2020 Annual General Meeting unless the current voting system is further extended by special resolution.

#### **AMENDMENT TO COME INTO EFFECT UPON REGISTRATION OF RULE CHANGE**

**9. Part 10 of the Constitution – Governance - Proposed Constitution Changes on Consultation, Regional and National Forums and HRNZ Director Selection and Election  
*This amendment to come into force upon registration of this rule change.***

The Constitution is amended by inserting new clauses 10, 10A and 10B after clause 9 and repealing current clause 10, subject to the saving provisions of clauses 10B.25 and 10B.26.



## **10. Regional and National Forums**

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### **Regional Forums**

10.1 *The Regional Forums are the:*

10.1.1 *“North Island Regional Forum” comprising of its members located in the North Island.*

10.1.2 *Upper South Island Regional Forum comprising of its members located north of the Waitaki River.*

10.1.3 *Southland Otago Regional Forum comprising of its members located south of the Waitaki River.*

10.2 *Totalisator clubs and any affiliate or branch of a kindred bodies in a region must form a regional forum.*

10.3 *Members of a regional forum are:*

10.3.1 *the totalisator clubs in the region; and*

10.3.2 *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;*

10.4 *Members of a regional forum may include:*

10.4.1 *Any other registered club or affiliated entity in that region referred to in the First Schedule,*

10.4.2 *Any key stakeholders in the region including organisation that run trials and workouts.*

10.5 *The purpose of regional forums includes:*

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

10.5.2 *To provide communications, coordination, and planning for supporting the National Forum functions described in clause 10.9.*

10.5.3 *To appoint members to the National Forum.*

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

10.7 *The regional forums shall document their membership and procedures in a charter document that will be publicly available on the HRNZ website.*

10.8 *If members of a regional forum cannot reach a consensus on a matter and a vote is requested each totalisator club in clause 10.3 shall have the votes set out in Schedule 2 and each kindred body one vote, unless otherwise agreed and recorded in the charter.*

### **National Forum**

10.9 *The Harness National Forum (“National Forum”) is a cross-harness code body that, with the best collective interests of the New Zealand harness sport at heart, can provide:*

- 10.9.1 *meaningful input to the selection of members of the Board by providing feedback on the required competencies and skills;*
- 10.9.2 *the direct appointment of three members of the Directors Nomination Panel, who do not have to be members of the National Forum;*
- 10.9.3 *perspectives on national matters that will inform the Board's strategic thinking before plans and long-term strategies are finalised;*
- 10.9.5 *future of harness racing; and*
- 10.9.6 *a forum for cross-sport conversations and networking across the sport.*

*(This wording is taken directly from the NZ Rugby Governance Review 2023, p 86)*

*10.10 Membership of the National Forum shall consist of:*

- 10.10.1 *three members nominated by the North Island Regional Forum;*
- 10.10.2 *three members nominated by the Upper South Island Regional Forum;*
- 10.10.3 *two members nominated by the Southland Otago Regional Forum;*
- 10.10.4 *one member, and an alternate, elected by the small clubs as defined in the Racing Industry Act 2020 following a ballot conducted by the Chief Executive;*
- 10.10.5 *one member nominated by the N.Z. Standardbred Breeders' Association Incorporated;*
- 10.10.6 *one member nominated by the NZ Trotting Owners Association Incorporated;*
- 10.10.7 *one member nominated by the New Zealand Harness Racing Trainers and Drivers Association Incorporated;*
- 10.10.8 *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.*

*10.11 The appointing bodies named in clause 10.10 (other than small clubs under clause 10.10.4) shall have sole discretion in determining the method for selecting or removing their nominee to the National Forum, including the appointment of an alternate.*

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

*10.12 The members of the National Forum:*

- 10.12.1 *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.*
- 10.12.2 *May remove the chairperson by majority vote two weeks after notice in writing and signed by four members have been received by the secretary.*

*10.13 The National Forum shall:*

- 10.13.1 Document their membership and procedures in a charter document, after consulting HRNZ, that will be publicly available on the HRNZ website.*
- 10.13.2 Meet as required, usually virtually, but at least once a year in person.*
- 10.13.3 The nominators of the National Forum members shall be responsible for the out-of-pocket expenses of their nominee's participation.*
- 10.13.4 Through the chairperson of the National Forum send a report to the annual general meeting and at least quarterly to the Board.*

*10.14 HRNZ shall:*

- 10.14.1 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 as determined at the annual general meeting;*
- 10.14.2 provide a member of its staff to be the secretary to the National Forum; and*
- 10.14.3 establish an annual budget for the secretariat's and chairperson's out-of-pocket and secretarial expenses.*

*10.15 For the avoidance of doubt the National Forum, and the Regional Forums established under this Constitution:*

- 10.15.1 do not have separate corporate status;*
- 10.15.2 are consultative forums, not a decision-making body, or another layer of governance; and*
- 10.15.3 are independent of HRNZ in their composition and functioning.*

**Consultation**

*10.16 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.*

*10.17 HRNZ will undertake consultation on a regular basis with the regional forums to facilitate the function in clause 10.5.*

**10A DIRECTORS' NOMINATION PANEL**

*10A.1 The Board shall establish a Directors' Nomination Panel (the Panel) comprising:'*

- 10A.1.1 A chairperson nominated by the President of NZ Institute of Directors and endorsed by the Board of HRNZ.*
- 10A.1.2 Three persons nominated by the National Forum established under Part 10A.*
- 10A.1.3 A person nominated by the Board who is not necessarily a member of the Board.*

*10A.2 A person who would not be eligible to be appointed as a member of the Board is not eligible to be appointed or continue as a member of the Panel.*

10A.3 Every person appointed to the Panel shall hold office for three years and be eligible to be reappointed with a maximum term of nine years, cumulatively.

10A.4 Any vacancy in the Panel may be filled by the appointing body in clause 10A.1.

### **Panel Procedures**

10A.5 The quorum for the Panel is three members attending in person or virtually.

10A.6 Within five months of being first appointed, and on an as required basis thereafter, the Panel shall document its procedures for:

10A.6.1 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.

10A.6.2 for the retirement of panel members in the first two years.

10A.7 The Panel will consult the National Forum on its procedures and then submit its procedures to the HRNZ Board for approval. HRNZ will publish the Panel's procedures on its website.

10A.8 On or before 31 March each year the Panel Secretary will notify the appointing bodies established under clause 10A.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.

10A.9 The Panel shall appoint a secretary (Panel Secretary) who may be an employee of HRNZ.

## **10B THE BOARD**

### **Composition of the Board**

10B.1 The Board of HRNZ shall comprise eight persons, reducing to seven persons (to be known as "directors") at the end of the 2024 annual general meeting.  
(Clause 2.1 "meeting means either an annual general meeting or a special general meeting or both (as the case may be) of HRNZ")

10B.2 In the event that the Board and the Panel determine that a significant skills gap exists within the Board members the Panel may appoint an additional person to the Board for a term that expires at the end of the next annual general meeting.  
(There may be a rare occasion when the Board is left without a desired set of expertise. This clause enables the position to be filled until the next formal appointment round)

### **Eligibility for election or appointment**

10B.3 A person is not eligible to be elected or appointed as or continue to be a director who:

10B.3.1 Is a paid official of HRNZ.

10B.3.2 Has at any time been or is disqualified for any serious racing offence under the Clauses, the Clauses of Racing or a corrupt practice under the former New Zealand Clauses of Harness Racing, Clauses of Racing or any equivalent rules of any recognised Harness Racing Club, Racing Club, Authority or Body in New Zealand or any country.

- 10B.3.3 *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.*
- 10B.3.4 *Has at any time been struck off the role of a professional body or had their name removed from the register of a professional body and not restored to that register.*
- 10B.3.5 *Is disqualified as holding office under the Incorporated Societies Act 2022.*
- 10B.3.6 *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.*

#### **Director Vacancy**

10B.4 *The office of any member of the Board shall become vacant:*

- 10B.4.1 *after the annual general meeting in their third year of office, except as provided in clause 10B.30;*
- 10B.4.2 *if they resign in writing addressed to the Chief Executive;*
- 10B.4.3 *if they are absent without leave of the Board for more than two successive Board meetings;*
- 10B.4.4 *if they suffer from incapacity affecting performance of duty, neglect of duty, or misconduct, established to the satisfaction and in the sole discretion of the Board;*
- 10B.4.5 *if they die or become ineligible to continue to hold office under clause 10B.3;*
- 10B.4.6 *if they are removed from office by resolution of a meeting of the Board or HRNZ;*
- 10B.4.7 *if they become bankrupt; or*
- 10B.4.8 *if in the opinion of the Board they have brought the sport, the Board or HRNZ into disrepute irrespective of whether the conduct is related to the sport or not.*

#### **Recruitment of Directors**

10B.5 *Prior to each recruitment for a director(s) the chief executive, after consulting the National Forum, shall:*

- 10B.5.1 *advise the Panel of skills, competencies, and diversity that the Board and the National Forum believes need strengthening within their current group;*
- 10B.5.2 *provide a generic position description for the role of member of the Board, including terms and conditions of remuneration; and*
- 10B.5.3 *confirm with the National Forum if a professional recruitment firm is required to assist with the recruitment process including but not limited to recommending a short list of candidates to the Panel, and contract that firm.  
(There may be an instance where a vacancy arises and an agreed candidate is suitable for the position and a recruitment firm is not needed.)*

10A.6 *In the event that the National Forum cannot reach a consensus on their three nominees to the Panel the Panel Secretary will conduct a ballot of each member of the National Forum with each member having three votes each which may be split.*

## **Nomination Process**

10B.7 *The Panel Secretary shall notify the Panel, the clubs, kindred bodies, the National Forum, and the regional forums:*

10B.7.1 *no later than 30 April for the number of pending vacancies to be filled that year at the annual general meeting; or*

10B.7.2 *within one month of a casual vacancy arising (except when a director's position term has less than a year left on the Board).*

10B.8 *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.*

10B.9 *The Panel shall notify the Chief Executive and the National Forum of the name of the person or persons it is proposing to nominate as a potential director, with a supporting brief of the qualifications for each nominated person and a general overview report on the recruitment process:*

10B.9.1 *by 20 August in any year for the usual cycle leading to the annual general meeting; and*

10B.9.8 *a least eight weeks prior to a special general meeting called to fill a casual vacancy.*

10B.10 *The National Forum may, not later than two weeks after receiving the advice under clause 10B.9 ask the Panel to reconsider a candidate for 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:*

10B.10.1 *confirm its decision; or*

10B.10.2 *propose a new candidate for the vacancy.*

10B.11 *The Chief Executive shall notify the clubs and kindred bodies of the Panel's nominees for membership of the Board according to the notice period of the meeting in this Constitution, including with the meeting's papers the Panel's qualification's brief.*

10B.12 *The Panel will ensure:*

10B.12.1 *that their nominations comply with the requirements of section 45 and 47 of the Incorporated Societies Act 2022;*

10B.12.2 *that a majority of the board have an affinity with and connection to the harness sport.*

10B.13 *The Panel shall recommend to a meeting of HRNZ the exact number of eligible candidates as they have been notified to be filled, provided they have suitable candidates.*

10B.14 *The meeting of HRNZ shall consider each vacancy individually and vote for or against the recommended candidate.*

*(The election of directors will usually be at the HRNZ annual general meeting in October.)*

10B.15 *Notwithstanding any other clause in this Constitution, a representative of a club or kindred body entitled to attend the meeting, or their duly appointed substitute may vote on the appointment of a*

*director and has the number of votes listed in the Second Schedule for the club or kindred body they represent. A candidate shall be declared elected on achieving a majority of the votes cast.*

*10B.16 If a vote under clause 10B.14 is tied it shall be deemed lost.*

*10B.17 In the event of:*

*10B.17.1 the Panel not being able to recommend sufficient candidates to fill the vacancies; or*

*10B.17.2 a nominated candidate being unsuccessful at the meeting -*

*the director's position shall remain vacant until filled under clause 10B.18 unless the Board and the Panel agree that a director who retired at that meeting shall remain in office until his or her vacancy is filled.*

*10B.18 When a vacancy is not filled at a meeting of HRNZ the Panel may:*

*10B.18.1 offer an alternate nominee from that recruitment round at that meeting; or*

*10B.18.2 start the recruitment round again.*

*10B.19 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.*

*10B.20 Every person elected to be a member of the Board under this Constitution shall, subject to the provisions of this Constitution and unless he or she sooner vacates office, come into office from the conclusion of the meeting at which he or she shall be declared to be duly elected.*

*10B.21 A director who vacates office may be re-elected providing they are not otherwise ineligible for election.*

#### **Procedural Error**

*10B.22 No act, proceedings, determination or matter of the Panel or the Board or the National Forum of any person acting as a member or officer of the Panel or the Board or the National Forum shall be invalidated because of a vacancy in the membership of the Board, Panel, or 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 he or she was incapable of acting or being a member.*

#### **Transitional Provisions**

*10B.24 Prior to the 2023 annual general meeting there was an election for a board member and that person shall take office at the end of the 2023 annual general meeting and hold office for one year until the end of the 2024 annual general meeting.*

*10B.25 The Auckland Trotting Club Incorporated nominated position for a member of the Board created under former clause 10.24 will cease to exist at the end of the 2024 annual general meeting. All provisions in the former clause 10 about the appointment of a person to that position shall apply until the end of the 2024 annual general meeting.*

*10B.26 The New Zealand Metropolitan Trotting Club Incorporated nominated position for a member of the Board created under former clause 10.25 will cease to exist at the end of the 2024 annual general*

*meeting. All provisions in the former clause 10 about the appointment of a person to that position shall apply until the end of the 2024 annual general meeting.*

*10B.27 All the remaining five members of the Board at the end of the 2023 annual general meeting must retire at the conclusion of the 2024 annual general meeting.*

*10B.28 Prior to the 2024 annual general meeting the Panel will nominate seven persons for the Board to take office after that meeting and to hold office for a term as determined under clause 10.39.*

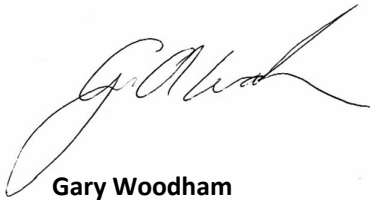
*10B.29 Immediately after the conclusion of the 2024 annual general meeting the Board shall hold a meeting and after the election of the chairperson and vice chairperson the Chief Executive shall conduct a ballot to determine the initial term of office for each board member by:*

*10.29.1 placing in a container three (3) samples marked "Two Year Term until the end 2026 annual general meeting" and four (4) samples marked "Three Year Term until the end 2027 annual general meeting";*

*10.29.2 asking each member to draw from the container a sample that determines that person's initial term of office.*

*10B.30 For the avoidance of doubt the 2026 annual general meeting will fill three vacancies on the Board and the 2027 annual general meeting will fill four vacancies, and then the annual rotation continues.*

Dated this 20<sup>th</sup> day of October 2023.

A handwritten signature in black ink, appearing to read 'Gary Woodham', written in a cursive style.

**Gary Woodham**  
Chief Executive