



CONSTITUTION

OF

HARNESS RACING NEW ZEALAND

as at 1 November 2023

CONTENTS

1.	NAME AND COMMENCEMENT	3
2.	INTERPRETATION	3
3.	OFFICE	5
4.	OBJECTS	5
5.	MEMBERSHIP	6
	Membership of HRNZ	6
	Application for membership	6
	Processing of an application	6
	Registration	7
	Cancellation and suspension of registration	7
	Club returns	8
6.	KINDRED BODIES	9
7.	REPRESENTATIVES AT MEETINGS OF HRNZ	10
8.	MEETINGS OF HRNZ	11
	Annual general meeting	11
	Notice of annual general meeting	12
	Business of annual general meeting	12
	Special general meetings	12
9.	MEETING PROCEDURE	14
	Chairperson	14
	Quorum	14
	Attendees	14
	Unofficial observers and media	15
	Speaking rights and moving and seconding resolutions	15
	Voting	16
	Resolutions	17
10.	REGIONAL FORUMS	17
	Regional forums	17
	National forum	19
	Consultation	21
10A.	DIRECTORS' NOMINATION PANEL	21
	Panel Procedures	22
10B.	THE BOARD	22
	Composition of the Board	22
	Eligibility for election or appointment	23
	Director Vacancy	23
	Recruitment of Directors	24
	Nomination Process	25
	Procedural Error	27
	Transitional Provisions	27

11. OFFICERS OF HRNZ	29
12. CHIEF EXECUTIVE	30
13. MEETINGS OF THE BOARD	31
Procedure	31
14. POWERS, DUTIES AND FUNCTIONS OF THE BOARD	32
Overall powers, duties and functions	32
General powers and duties	32
Specific powers and duties	33
Delegation	35
15. FINANCE	35
Balance date	35
Funds received under the Racing Industry Act 2020	35
Board expenditure	35
Investment and control of funds	36
Budget	37
Accounts	37
16. INVESTMENT AND CONTROL OF FUNDS	38
17. BUDGET	38
18. ACCOUNTS	39
19. ALTERATIONS TO CONSTITUTION	39
20. LIQUIDATION	40
21. COMMON SEAL	40
22. INDEMNITY	40
23. MATTERS NOT PROVIDED FOR	41
24. TRANSITIONAL PROVISIONS	41
General	41
FIRST SCHEDULE	43
SECOND SCHEDULE	46

CONSTITUTION
of
Harness Racing New Zealand Incorporated

1. NAME AND COMMENCEMENT

- 1.1 The name of the governing body for harness racing in New Zealand is “Harness Racing New Zealand Incorporated” which is abbreviated in this Constitution as “HRNZ”.
- 1.2 HRNZ is hereby declared to be for all purposes the same body as that constituted previously as an unincorporated body under the name the “Harness Racing New Zealand” pursuant to the New Zealand Rules of Harness Racing.
- 1.3 This Constitution takes effect as from 1 October 2018 (“commencement date”).

2. INTERPRETATION

- 2.1 In this Constitution, unless the context otherwise requires:

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 and appointed members of the Board of HRNZ established under this Constitution.

chairperson means the chairperson of the Board elected or appointed pursuant to clause 9(9)(b) hereof.

club means a registered club and includes the clubs listed in the First Schedule.

commencement date means 1 October 2018.

Committee, when used in reference to the committee of 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 chief executive of HRNZ or other person authorised to act on the chief executive’s behalf.

kindred body means the New Zealand Standardbred Breeders Association, the New Zealand Harness Racing Trainers and Drivers Association, and the New Zealand Trotting Owners Association.

meeting means either an annual general meeting or a special general meeting or both (as the case may be) of HRNZ.

official notification and **official notifications** means 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, body or company consisting of a combination of clubs at its meeting or in its operations or works;
- b. by HRNZ or the Board; or
- c. 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.

Racing Industry Act 2020 means the Racing Industry Act 2020 and any Act passed in substitution of that Act and in which case the provision of this Constitution or Rules will apply with necessary modification.

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

Register means a register maintained by the chief executive recording the membership registration of clubs.

resolution of HRNZ means a resolution at an annual general meeting or a special general meeting of HRNZ passed in accordance with clause 9.29.1 of this Constitution.

rules means the New Zealand Rules of Harness Racing (including the appendices, schedules, and regulations made under this Constitution or the rules).

rules of racing means the rules of racing made by New Zealand Thoroughbred Racing Incorporated or New Zealand Greyhound Racing Association Incorporated.

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

special resolution of HRNZ means a special resolution at an annual general meeting or a special general meeting of HRNZ passed in accordance with clause 9.29.2 and 9.29.3 of this Constitution.

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 for the time being holding a betting licence issued under section 68 of the Racing Industry Act 2020 and registered under these Rules but does not include a club that only conducts an equalisator race meeting.

working day means any day of the week other than—

- (a) Saturday, Sunday, Good Friday, Easter Monday, Anzac Day, Labour Day, the Sovereign's birthday, and Waitangi Day; and
- (b) a day in the period commencing with 25 December in any year and ending with 15 January in the following year; and
- (c) if Waitangi Day or Anzac Day falls on a Saturday or Sunday, the following Monday.

2.2 A club or kindred body voting on any matter under this Constitution shall have the number of votes provided in the Second Schedule.

2.3 Subject to the provisions of the Racing Industry Act 2020 the terms and provisions of this Constitution shall, unless the context otherwise requires, be interpreted consistent with the provisions of the New Zealand Rules of Harness Racing.

3. OFFICE

3.1 The registered office of HRNZ shall be determined by the Board from time to time.

4. OBJECTS

4.1 The objects of HRNZ are to:

4.1.1 control all harness racing conducted in New Zealand in accordance with this Constitution and the rules;

4.1.2 promote and advance harness racing in all its forms in New Zealand;

4.1.3 ensure that all requirements of the rules are observed, and complied with, by all persons and bodies to which they apply under to rule 102(1) of the rules;

4.1.4 consider and deal with all matters submitted to HRNZ in accordance with this Constitution and the rules; and

4.1.5 comply with its obligations under the Racing Industry Act 2020.

5. MEMBERSHIP

Membership of HRNZ

5.1 The clubs listed in the First Schedule of this Constitution are:

5.1.1 the registered members of HRNZ; and

5.1.2 deemed to be recorded in the Register kept under clause 5.7.

5.2 The Board may direct the chief executive to update the clubs listed in the First Schedule.

Application for membership

5.3 A club may apply to be registered as a member of HRNZ in the form prescribed by the Board.

5.4 The Board may impose conditions for an application for registration as a member of HRNZ.

Processing of an application

5.5 An application by a club for registration as a member of HRNZ shall be considered by the Board which may:

5.5.1 grant or refuse the application; or

5.5.2 refer the application to the annual general meeting or a special general meeting for approval by special resolution.

5.6 An application for registration may not be granted where the constitution or rules of the Club permit 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.

Registration

- 5.7 The Board may from time to time approve a Register in which shall be entered particulars of the registration of every registered club.
- 5.8 The Register is conclusive proof as to whether or not a club is registered and of any particulars entered for the purposes of this Constitution and the rules.
- 5.9 When an application for registration is granted, or approved by special resolution, the chief executive shall advise the club, notify the registration in the official notifications, and record the registration in the Register.
- 5.10 A club may change the name under which it is registered with the consent of the Board and on payment of a fee of as the Board may decide.
- 5.11 A change of name of a club shall be recorded in the Register and notified in the official notifications after the secretary of the club has certified that the necessary steps have been taken in accordance with its constitution to change the name.
- 5.12 Registration confers on a club all rights, powers, functions and duties conferred on clubs by this Constitution and the rules.
- 5.13 Registration operates as an agreement by the club and its members:
- 5.13.1 to faithfully observe, perform and carry out the requirements of this Constitution and the rules;
 - 5.13.2 to obey all orders and directions made or given under this Constitution and the rules; and
 - 5.13.3 that they will 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.

Cancellation and suspension of registration

- 5.14 The Board must cancel the registration of a club if it is satisfied that registration was secured by any false or fraudulent representation, any material omission, or by the production of any false certificate or other document.

5.15 The Board may suspend on terms or conditions or cancel the registration of a club which has:

5.15.1 failed to observe, perform or carry out the requirements of this Constitution or the rules;

5.15.2 not held a race meeting for three consecutive years;

5.15.3 a constitution which permits 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.

5.16 The chief executive is to:

5.16.1 notify a suspension or cancellation of a club's registration in the official notifications;

5.16.2 record the suspension of a club's registration in the Register; and

5.16.3 remove from the Register a club whose registration is cancelled.

Club returns

5.17 Each club shall forward to the chief executive within ten working days after its annual general meeting:

5.17.1 audited financial statements 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

5.17.2 a record of its total number of valid members.

5.18 A club shall if required by the Board:

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

5.18.2 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;

5.18.3 provide a business plan including financial budgets within a timeframe fixed by the Board; and

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

6. KINDRED BODIES

6.1 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.

6.2 Where a kindred body consists of fewer members than any minimum specified in clause 6.1 any right, benefit, or privilege imposed or granted to the kindred body under this Constitution or the rules may be revoked by special resolution of HRNZ.

6.3 A kindred body and association affiliated under its constitution shall send to the chief executive within ten working days after its annual meeting:

6.3.1 audited financial statements 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

6.3.2 a record of its total number of valid members.

6.4 A kindred body shall observe, perform and carry out all requirements of and obligations under this Constitution or the rules and shall obey all orders and directions made or given under this Constitution or the rules.

6.5 A kindred body shall if required by the Board:

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

6.5.2 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;

6.5.3 provide a business plan including financial budgets within a timeframe fixed by the Board; and

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

6.6 A kindred body which does not comply with any provision of this Constitution or the rules, or which has fewer number of members as specified in clause 6.1 may have their voting and speaking rights at any meeting of HRNZ suspended:

6.6.1 by the Board on terms and conditions as the Board considers appropriate; or

6.6.2 by resolution of HRNZ.

7. REPRESENTATIVES AT MEETINGS OF HRNZ

7.1 A totalisator club is to elect or appoint one representative to attend any meeting of HRNZ on behalf of the club.

7.2 A totalisator club is entitled to representation at a meeting of HRNZ if it is:

7.2.1 issued a betting licence during the racing year in which the meeting is held or has voting rights; and

7.2.2 registered pursuant to this Constitution and such registration is not suspended or cancelled.

7.3 A totalisator club entitled to representation at a meeting shall elect or appoint one representative to attend any meeting of HRNZ on behalf of the club.

7.4 A kindred body is entitled to representation at a meeting and shall elect or appoint one representative to attend any meeting of HRNZ on behalf of the kindred body.

7.4A A person may only be appointed as a representative of one club or kindred body but may also be appointed as a substitute of a club or kindred body if it is not practicable for another person to be appointed as a substitute.

7.5 A person is not eligible to be elected, appointed, or to continue as a representative of a club or kindred body who:

7.5.1 is not a member of the club or kindred body, or paid official of the club or kindred body; or

- 7.5.2 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.
- 7.6 Each totalisator club and kindred body entitled to representation at a meeting shall notify the chief executive the name of its representative at least ten working days prior to the meeting.
- 7.7 If a representative is unable to be present at a meeting the club or kindred body which they represent may by letter, email, or such other method as is approved by chief executive appoint a person to be the substitute for the representative.
- 7.8 Except as provided in clause 7.4A the substitute for a club appointed under clause 7.7 must be a member, or paid official of the club or kindred body.
- 7.9 Except as provided in clause 7.4A the substitute for a kindred body appointed under clause 7.7 must be a member of the kindred body.
- 7.10 The substitute appointed under clause 7.7 may exercise all the voting powers and other functions of the absentee representative.
- 7.11 Every totalisator club shall be represented at each meeting of HRNZ unless the Board permits otherwise.

8. MEETINGS OF HRNZ

Annual general meeting

- 8.1 The annual general meeting of HRNZ shall be held within six months of the end of the financial year and no later than eighteen months after the previous annual general meeting at such time and place as the Board from time to time decides.
- 8.1A If circumstances exist at the time of notification the annual general meeting, or arise before the date of the meeting, that result in the attendance of persons at the meeting not being practicable the Board may permit those persons for whom 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.

Notice of annual general meeting

8.2 The time and place of the annual general meeting shall be notified by the chief executive in the official notifications and by notice to each totalisator club and kindred body.

Business of annual general meeting

8.3 The order of business of the annual general meeting shall be decided by the Board unless directed otherwise by resolution made, at any time, during the meeting.

8.4 The order of business may include:

8.4.1 roll call of representatives;

8.4.2 adoption of the minutes of the previous annual general meeting, and any special meeting;

8.4.3 the adoption of the annual report;

8.4.4 the returning officer's and scrutineers' reports on elections of members of the Board and declaration of persons elected or appointed;

8.4.5 correspondence items;

8.4.6 the consideration of resolutions of which notice has been given and amendments to the rules and Constitution; and

8.4.7 such other business as may be brought before the annual general meeting.

Special general meetings

8.5 The Board may direct the chief executive to convene a special general meeting for consideration of such matters as it thinks fit.

8.6 The chief executive must convene a special general meeting on a date and place decided by the Board on request in writing signed by a majority of totalisator clubs.

Any request must include full details of the business to be dealt with at the special general meeting.

8.7 For the purpose of clause 8.6 a majority is to be decided by reference to the number of votes each club has as set out in the Second Schedule.

8.8 A special general meeting may be convened by the representatives or their substitutes:

8.8.1 being assembled together at the place, date and time appointed for the meeting;

8.8.2 participating in the meeting by means of audio, audio visual, electronic communication or the use of other technologies as decided by the Board;
or

8.8.3 by a combination of both of the methods in 8.8.1 and 8.8.2 as decided by the Board.

8.9 Notice of a special general meeting shall be sent to each club and kindred body and published in the official notifications at least 20 working days, before the date fixed for the meeting.

8.10 The notice of a special general meeting shall include:

8.10.1 the date, time, and place of the special meeting;

8.10.2 the business to be considered at the special meeting;

8.10.3 any technologies which the Board has decided may be utilised to enable the representatives to be present but not attend personally; and

8.10.4 any other matter which the Board considers appropriate to facilitate the special general meeting taking place.

8.11 No business other than that stated in the notice of special general meeting may be decided at the meeting except with the permission of the meeting granted by special resolution.

- 8.12 No proposal to amend the Constitution or the rules shall be considered at any special general meeting unless the meeting is convened for that purpose.

9. MEETING PROCEDURE

Chairperson

- 9.1 The chairperson shall chair every meeting of HRNZ at which they are present.
- 9.2 In the absence of the chairperson the vice-chairperson is to chair the meeting.
- 9.3 In the absence of the chairperson and the vice-chairperson the Board will elect one of its remaining members to chair the meeting.
- 9.4 The chairperson may decide all questions of order or procedure for which no provision has been made in this Constitution or the rules.

Quorum

- 9.5 At any meeting of HRNZ fifteen club representatives or their appointed substitutes shall constitute a quorum.

Attendees

- 9.6 A meeting of HRNZ shall be a meeting of:
- 9.6.1 the chairperson, the vice-chairperson, the finance chairperson, and the members of the Board who are not representatives;
 - 9.6.2 the appointed representatives of the totalisator clubs or their substitute; and
 - 9.6.3 the appointed representatives of the kindred bodies or their substitute.
- 9.7 A club or kindred body may, in addition to their representative appoint, an official observer who must be a member of the committee, the secretary, a committee person, or a steward of the club or kindred body they represent.
- 9.8 Notice of an official observer must be given to the chief executive at least ten working days prior to the meeting.

9.9 Members of TAB NZ are eligible to attend a meeting of HRNZ.

9.10 A person invited to attend a meeting by the Board shall be eligible to attend that meeting.

Unofficial observers and media

9.11 Any club which is registered under this Constitution but which is not entitled to a representative at a meeting of HRNZ may appoint one of its members or its secretary to attend a meeting of HRNZ as an unofficial observer.

9.12 The Board may limit the number of unofficial observers that may be present at a meeting.

9.13 Notice of an unofficial observer shall be given to the chief executive at least ten working days prior to the meeting.

9.14 Unofficial observers and representatives of the media may be admitted to a meeting if approved by resolution of the meeting.

9.15 When the representatives or their substitutes decide that a matter is to be discussed in committee, the meeting shall first decide what persons, if any, shall be excluded from the meeting during the committee discussion.

Speaking rights and moving and seconding resolutions

9.16 The chairperson, vice-chairperson, finance chairperson of the Board, the meeting chair, and duly appointed representatives or their substitutes shall have speaking rights and be entitled to move and second resolutions at a meeting.

9.17 Members of the Board to which clause 9.16 does not apply have speaking rights but are only entitled to move and second resolutions when authorised to do so by the Board.

9.18 Members of TAB NZ attending a meeting shall have speaking rights.

9.19 Any person invited to attend a meeting by the Board shall not be entitled to address the meeting without the consent of the Board or the meeting.

- 9.20 An official observer of a club or kindred body can be asked by the representative to speak to the meeting on their behalf.

Voting

- 9.21 A representative of a club or kindred body, or their duly appointed substitute attending a meeting:

9.21.1 may vote on any matter put to a vote; and

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

- 9.22 In the case of an equality of votes the chair of the meeting may exercise a deciding vote.

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

- 9.24 At a meeting the vote shall be decided in such manner as the chair of the meeting directs, unless a poll is requested before or immediately after the declaration of the result.

- 9.25 Except where a poll is requested a declaration by the chair of the meeting 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.

- 9.26 If a poll is duly requested it shall be taken immediately and by the method as the chair of the meeting directs.

- 9.27 When any resolution or special resolution is put to the vote the chair of the meeting may record the names of the club or kindred body whose representative or substitute has voted in favour of or against the resolution.

- 9.28 No act, resolution, or special resolution of HRNZ shall be invalidated because at the time of the act, resolution, or special resolution:

9.28.1 it has not been notified in the official notifications;

- 9.28.2 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
- 9.28.3 that a club or kindred body entitled to representation was not represented.

Resolutions

- 9.29 Unless otherwise provided in this Constitution:
 - 9.29.1 every resolution requires a majority of the votes to vote in favour of the resolution; and
 - 9.29.2 a special resolution requires a majority of at least two-thirds of the votes to vote in favour of the resolution
 - 9.29.3 a special resolution requires notice, to the satisfaction of the chair of the meeting, to have been given to each club and published in the official notifications at least 20 working days before it is voted on.
- 9.30 A resolution and special resolution shall take effect from the date specified, or where no such date is specified, from 1 August after the making of the resolution except where otherwise provided for in this Constitution, the rules, or Racing Industry Act 2020.
- 9.31 Every special resolution which is adopted shall be notified in the official notifications.

10. REGIONAL FORUMS

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.

11. OFFICERS OF HRNZ

- 11.1 There shall be a chairperson, vice-chairperson, finance chairperson and chief executive of HRNZ.
- 11.2 The Board shall appoint one of its members to the office of chairperson, vice-chairperson, and finance chairperson immediately following the conclusion of each annual general meeting and at such other time or times as may be required.
- 11.3 If more than one person is nominated for the position of chairperson, an election shall be held.
- 11.4 Where there is an equality of votes between candidates, a second ballot shall be held.
- 11.5 In the event of an equality of votes after the second ballot, the chairperson shall be determined by lot.
- 11.6 The Board may seek assistance from the chief executive in conducting a ballot and in any determination by lot.
- 11.7 A person is ineligible to be appointed to the office of the chairperson or to continue to hold the same who has been elected or appointed to that office or the former office of chairperson for a total of five years either consecutively or otherwise unless such appointment or proposed appointment is approved by special resolution of HRNZ.
- 11.8 The chairperson, vice-chairperson, and finance chairperson upon being appointed by the Board shall come into office and shall continue to hold office until their successor is appointed and comes into office.
- 11.9 The chairperson, vice-chairperson, and finance chairperson may at any time resign their office by writing addressed to the chief executive.
- 11.10 The chairperson, vice-chairperson, or finance chair shall resign upon request of a majority of Board members.
- 11.11 At any time the office of chairperson, vice-chairperson, or finance chairperson becomes vacant the Board shall appoint one of its members to the relevant office

and the person appointed may hold such office for the remainder of their predecessor's term.

- 11.12 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:

11.12.1 the vice- chairperson; or

11.12.2 in the case of the vice-chairperson's incapacity or absence from New Zealand a member of the Board appointed by the remaining Board members.

12. CHIEF EXECUTIVE

12.1 The Board may appoint a chief executive.

12.2 The chief executive shall:

12.2.1 be in charge of all staff of HRNZ;

12.2.2 be responsible to the Board and be under its general direction and control;

12.2.3 exercise all powers and duties of the chief executive under the Constitution and the rules; and

12.2.4 perform all other duties properly relating to their office.

12.3 For the purpose of assisting the chief executive to carry out their duties under this Constitution or the rules the chief executive may employ persons (not otherwise provided for in the Constitution or the rules) when authorised by, and on terms and conditions, if any, approved by the Board.

12.4 The chief executive may require a club, kindred body, or persons subject to the rules to provide information, returns, and particulars required on behalf of the chairperson, the Board, any committee of HRNZ, or for the purpose of enabling the chief executive to carry out any functions or duties under the Constitution or the rules.

13. MEETINGS OF THE BOARD

Procedure

- 13.1 Meetings of the Board shall be held at such time and place as the Board or the chairperson from time to time determines.
- 13.2 A meeting may be convened by the members of the Board:
 - 13.2.1 being assembled together at the place, date and time appointed for the meeting;
 - 13.2.2 participating in the meeting by means of audio, audio visual, electronic communication or the use of other technologies as determined by the Board; or
 - 13.2.3 by a combination of both of the methods described in 13.2.1 and 13.2.2 as determined by the Board or the chairperson.
- 13.3 At all such meetings the attendance of a majority of the members of the Board shall constitute a quorum.
- 13.4 On any question put to the vote at any such meeting each member present shall have one vote, and in case of an equality of votes the chairperson shall have a deciding vote.
- 13.5 The Board shall exercise or perform any power, duty, or function conferred or imposed on it by the Constitution or the rules by means of a resolution on that behalf and every such resolution shall be duly made which is passed by a majority of the votes in favour of the resolution.
- 13.6 Every resolution shall be binding upon all members of the Board.
- 13.7 All members of the Board 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.
- 13.8 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.

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

14. POWERS, DUTIES AND FUNCTIONS OF THE BOARD

Overall powers, duties and functions

- 14.1 The Board is responsible for managing the business and affairs of all aspects of harness racing in New Zealand.

- 14.2 The Board may exercise and perform all powers, duties, and functions conferred or imposed on it, or recognised, by:

14.2.1 the Racing Industry Act 2020;

14.2.2 this Constitution;

14.2.3 the rules; and

14.2.4 delegation to it of the power, functions or duties of HRNZ.

- 14.3 The Board may do all things necessary:

14.3.1 so that the business, interests and affairs of HRNZ and harness racing are efficiently administered and managed between meetings of HRNZ;

14.3.2 for the better control, advancement and promotion of harness racing;

14.3.3 for securing the due observance of the duties and obligations under the rules of all owners, breeders, stud-masters, trainers, horsemen, stablehands, officials and persons to whom the Rules apply; and

14.3.4 for all other matters contemplated or necessary to give full effect to the Constitution and the rules.

General powers and duties

- 14.4 The Board has the following general powers and duties to:

14.4.1 make regulations authorised by the rules;

- 14.4.2 make regulations not inconsistent with the rules as it considers necessary or desirable for the better administration, promotion, or control of harness racing;
- 14.4.3 issue directions not inconsistent with the rules as it may consider necessary or desirable for the better administration, promotion, or control of harness racing;
- 14.4.4 give orders and directions to, and require particulars or information from, a kindred body, club, combination of clubs, company promoted for the purpose of owning or administering the ground(s) upon which a club or clubs race, and owners or persons licensed or registered under the rules as it considers necessary;
- 14.4.5 hold, or request to be held by any person or body, an inquiry or investigation into any matter affecting the management or good governance of harness racing;
- 14.4.6 enter into reciprocal relations with any authorities controlling harness racing or racing in any part of the world;
- 14.4.7 to make regulations or issue directions, not inconsistent with the Constitution or rules for the creation of associated organisations; and
- 14.4.8 to make regulations and issue directions or requirements to persons forming partnerships under the rules and the disclosure of partnership agreements.

Specific powers and duties

- 14.5 The Board has the following specific powers and duties to:
 - 14.5.1 enter arrangements for the publication and dissemination of official notifications and publication of periodical publications as it considers appropriate;
 - 14.5.2 approve an annual business plan and annual budget for financial performance and to monitor results against the annual business plan and annual budget;

- 14.5.3 purchase, lease, invest or otherwise acquire any real or personal property and any rights and privileges which it may think necessary or convenient for the purposes of the business of HRNZ;
 - 14.5.4 sell, lease or otherwise dispose of the property of HRNZ or any part of it for such consideration and in such manner as it may think fit;
 - 14.5.5 borrow or raise money in such manner as it may think fit on behalf of HRNZ, and may secure and guarantee the performance by HRNZ or any person or body of any obligation undertaken by HRNZ;
 - 14.5.6 invest in any investment in which a trustee might invest;
 - 14.5.7 purchase, redeem or pay off any securities given by or on behalf of HRNZ;
 - 14.5.8 enter into joint venture arrangements;
 - 14.5.9 have the custody and control of all records, books, papers, documents, and other property of HRNZ;
 - 14.5.10 appoint a chief executive of HRNZ and enter into an employment contract with remuneration and terms and conditions as the Board thinks fit;
 - 14.5.11 authorise the chief executive to employ persons to carry out his or her duties and to pay such salaries or wages as it from time to time determines;
 - 14.5.12 subject to any directions given at a meeting of HRNZ appoint committees of the Board; and
 - 14.5.13 subject to any directions given at a meeting of HRNZ appoint auditors and fix the auditor's remuneration.
- 14.6 The Board may appoint a person, persons, or a company as trustees for the purpose of dealing with its power described in clauses 14.5.5 to 14.5.8.
- 14.7 Any purchase or lease of real property under clause 14.5.3 or raising of finance by way of mortgage security under clause 14.5.5 must be first be approved by resolution at an annual general meeting or at a special general meeting.

- 14.8 For the avoidance of doubt nothing in this clause shall authorise the Board to exercise any power required by the Constitution or the rules to be exercised by HRNZ at a meeting of HRNZ or any club.

Delegation

- 14.9 The Board may delegate any of its powers, duties, or functions under the Constitution or the rules to the chairperson or to a committee consisting wholly or partly of its members with power to fix the quorum of any committee.
- 14.10 In making a delegation, the Board may impose such conditions (if any) as it thinks fit with respect to the exercise or performance of any delegated power, duty, or function. Everything done in due performance of such delegation shall for all purposes be deemed to be done by the Board and shall have force and effect accordingly.
- 14.11 The Board may at any time revoke such delegation made under clause 14.9 and revoke or amend any conditions imposed under clause 14.10 or impose further conditions.
- 14.12 The Board may not delegate its powers of appointing the chief executive.

15. FINANCE

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.

16. INVESTMENT AND CONTROL OF FUNDS

16.1 The funds of HRNZ shall consist of:

16.1.1 all monies and property of HRNZ at the commencement of this Constitution or then owing to it;

16.1.2 all monies payable to HRNZ or the Board after the commencement of and under this Constitution or the rules; and

16.1.3 all proceeds of any investment of any monies.

16.2 The Board shall manage and administer the funds of HRNZ to any directions as may from time to time be given at any meeting.

16.3 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% per month or such other rate as prescribed by the Board.

16.4 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.

17. BUDGET

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

- 17.2 The budget shall include an allocation from the Harness Code distribution account to cover the operating costs of HRNZ.
- 17.3 When an amount is allocated in the budget for remuneration of Board members, the apportionment of such amount allocated between Board members shall be determined by the Board.

18. ACCOUNTS

- 18.1 The financial year of HRNZ shall be the 12 month period ending on 31 July.
- 18.2 Any monies paid under this Constitution to HRNZ, and not forming part of any special fund, shall be paid into such bank as the Board determines to the credit of an account to be called the HARNESS RACING NEW ZEALAND INC GENERAL ACCOUNT.
- 18.3 Monies standing to the credit of the general account shall be available for use for the general purposes of HRNZ and its committees, and may be used for those purposes with the authority of the Board, the chief executive, or a person authorised by the Board or chief executive.
- 18.4 The information 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 and a projection based on information available as to the results for the full year.
- 18.5 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.
- 18.6 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.

19. ALTERATIONS TO CONSTITUTION

- 19.1 This Constitution may be rescinded, amended or added to only by way of a special resolution at any annual general meeting, or a special general meeting convened for that purpose.

- 19.2 No amendment may be made to this Constitution which affects clause 20 relating to liquidation unless it has first been approved by the Inland Revenue Department.

20. LIQUIDATION

- 20.1 In the event of the liquidation of HRNZ or its dissolution by the Registrar of Incorporated Societies, the funds and assets of HRNZ remaining after payment and satisfaction of its debts and liabilities and the costs and expenses of liquidation, shall be distributed to the clubs in such proportions as the representatives may resolve at an annual or special general meeting provided however that no part of the income or other funds of the club shall be used for the private pecuniary benefit of any individual person except to the extent of reasonable payments made for services rendered.

21. COMMON SEAL

- 21.1 HRNZ shall maintain a common seal which shall be kept in the custody of the chief executive and shall be affixed to any document only by the authority of the Board and in the presence of any two members of the Board or one member of the Board and the chairperson, as authorised by resolution of the Board to that effect.

22. INDEMNITY

- 22.1 Except in the case of wilful default, or 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:

22.1.1 any person employed by HRNZ;

22.1.2 members of the Board; and

22.1.3 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 and such power to indemnify may be extended to cases where the authority power, duty or function had been exceeded without bad faith.

- 22.2 HRNZ shall indemnify every employee, Board member, 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.
- 22.3 The Board may, on behalf of HRNZ, exercise the power of indemnity in respect of any person, other than one of its own members.
- 22.4 The Board may affect any appropriate insurance cover to any employee, member of the Board, or agreed contractor at the expense of HRNZ.

23. MATTERS NOT PROVIDED FOR

- 23.1 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 clubs and other bodies and persons affected thereby.

24. TRANSITIONAL PROVISIONS

General

- 24.1 As from the coming into force of all legislation and amendments necessary to enable HRNZ to become incorporated all the objects, functions, rights, privileges, entitlements, obligations, duties and liabilities of the unincorporated body called the "Harness Racing New Zealand" will be assumed by HRNZ.
- 24.2 The incorporation of HRNZ shall not affect any previous operation of the rules or of any decisions made or actions taken in accordance with the rules, or of any rights, privileges, entitlements, obligations, duties, liabilities, penalties or other disqualifications accrued or incurred under the rules before the incorporation of HRNZ.
- 24.3 Until such time as all necessary amendments are made to the rules following the incorporation of HRNZ, the rules shall be read subject to any necessary modification to give full meaning and effect to the provisions of this Constitution and, in particular, unless the context otherwise requires:

- 24.3.1 Any reference to the “Harness Racing New Zealand” or “Conference” in the rules shall be deemed to be a reference to HRNZ and any reference to the “Board” shall be deemed to be a reference to the “Board” established under this Constitution.
 - 24.3.2 Any reference to the “chief executive” in the rules shall be deemed to be a reference to the “chief executive of HRNZ”;
 - 24.3.3 Any reference in the rules or Constitution of any club to the “Harness Racing New Zealand Conference” and/or “Conference” shall be deemed to be a reference to HRNZ.
- 24.4 Every regulation, rule, order, 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.

FIRST SCHEDULE**Registered clubs having betting licences:**

Akaroa Trotting Club
Amberley Trotting Club
Ashburton Trotting Club
Auckland Trotting Club
Banks Peninsula Trotting Club
Central Otago Trotting Club
Cheviot Harness Racing Club
Forbury Park Trotting Club
Geraldine Trotting Club
Gore Harness Racing Club
Hawera Harness Racing Club
Hororata Trotting Club
Invercargill Harness Racing Club
Kaikoura Trotting Club
Kapiti Coast Harness Racing Club
Kurow Trotting Club
Manawatu Harness Racing Club
Marlborough Harness Racing Club
Methven Trotting Club
Nelson Harness Racing Club
New Zealand Metropolitan Trotting Club
Northern Southland Trotting Club
Oamaru Harness Racing Club
Rangiora Harness Racing Club
Reefton Trotting Club
Riverton Trotting Club
Roxburgh Trotting Club
Stratford Trotting Club
Taranaki Trotting Club

Timaru Harness Racing Club
Tuapeka Harness Racing Club
Waikato Bay of Plenty Harness Incorporated
Waikouaiti Trotting Club
Waimate Trotting Club
Wairarapa Harness Racing Club
Wairio Trotting Club
Wanganui Trotting Club
Westport Trotting Club
Winton Harness Racing Club
Wyndham Harness Racing Club

Registered clubs not having betting licenses:

Chertsey Trotting Club
Christchurch Trotting Club Incorporated
Hawea Picnic Racing Club
The Kumeu District Trotting Club Incorporated
Mount Hutt Trotting Club
Thames Harness Racing Club Incorporated
Waitaki Trotting Club

Affiliated Entities:

Canterbury Country Harness Racing Incorporated
Southern Harness Racing Incorporated
New Zealand Sires Stakes Board Incorporated

SECOND SCHEDULE

VOTING

(To apply for a period of two (2) years from 18 November 2020 to 17 November 2022)

(Further extended for a period of one (1) year to 17 November 2023, subject to any alternative voting system being adopted)

(Further extended for a period of one (1) year to 17 November 2024, subject to any alternative voting system being adopted)

If no alternative voting system is adopted on or before 17 November 2023 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.

1. In this schedule:

betting licence means a betting licence issued to a club under section 45 of the Racing Act 2003 or section 68 of the Racing Industry Act 2020 and includes a betting licence 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 1st August to 31st 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 shall have during the racing year in which the vote on any matter is to take place:
 - 2.1 one vote for each of the first three betting licences issued to that club in the preceding racing year; and
 - 2.2 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 that had been 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 shall have three votes.
5. Where two or more clubs combine, the combined club votes shall be calculated by merging the votes the individual clubs had 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