

**In Rules of Wellington Racing Club
Incorporated**

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Date : 2018

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Schedule 1: Powers and functions of the Board

RULES OF WELLINGTON RACING CLUB INCORPORATED

1. Interpretation

1.1 Definitions

In these Rules, unless the context otherwise requires:

Annual Members' Meeting means the meeting of Members that must be called by the Committee in accordance with these Rules prior to 31 December of each calendar year, in accordance with Rule 7.1 (Annual Members' Meetings);

Auditor means the auditor from time to time of the Committee appointed in accordance with Rule 20.3 (Auditor);

Club means Wellington Racing Club Incorporated;

Committee means Committee Members whose number not less than the required quorum, as set out in Rule 11.1 (Quorum required), acting together as the Committee of the Club;

Contact Officer means the person appointed by the Committee in accordance with Rule 17 (Contact Officer);

Committee Member means each person appointed to the Committee of the Club, being a Committee Member;

Committee Member means a person appointed to the Committee in accordance with Rule 9.1 (Elected Committee);

Default Interest means the rate of the published overdraft rate at the Bank of New Zealand or such other bank as the Committee may appoint from time to time plus 2 per cent per annum;

Executive Officer means the person appointed by the Committee in accordance with Rule 25 (Executive Officer);

General Resolution means a resolution of the Committee that requires the affirmative votes of at least a bare majority of Committee Members (50%) eligible to vote to be passed;

Incorporated Societies Act means the Incorporated Societies Act 1908, as amended from time to time;

Life Member means a person who has been appointed as such in accordance with Rule 5.2 (Membership distinction);

Member means each person or body corporate who is admitted as an ordinary member by the Club pursuant to Rule 5.1 (Members);

Members' Meeting means an Annual Members' Meeting or a Special Members' Meeting;

Members' Register means the register of Members maintained by the Club in accordance with Rule 18 (Register of Members and access to information);

NZTR means New Zealand Thoroughbred Racing Incorporated;

President means the person elected to that role in accordance with rule 9.1

Proxy means a person appointed by a Member as that Member's proxy in accordance with Rule 7.11 (Proxies) and **Proxies** has a corresponding meaning;

Racing code is as defined in the Racing Act, as amended from time to time;

RACE Inc means Racing at Awapuni & Trentham Combined Enterprises Incorporated;

RACE Inc Board means the board of RACE Inc;

Racing Act means the Racing Act 2003, as amended from time to time;

Rules means these rules, as amended from time to time;

Rules of Racing means the New Zealand Rules of Racing for the time being in force, as determined by New Zealand Thoroughbred Racing Incorporated;

Special Members' Meeting means a meeting of Members (other than the Annual Members' Meeting) called by the Committee at any time or following written request by 20 or more Members, in accordance with Rule 7.2 (Special Members' Meetings);

Special Resolution means a resolution of the Committee that requires the affirmative votes of at least three-quarters (75%) of Committee Members eligible to vote to be passed; and

Subscription Fee means the fee payable by Members in accordance with Rule 19 (Subscription Fees).

Vice President means the person elected to that role in accordance with rule 9.1

1.2 Construction

In these Rules, unless the context otherwise requires:

- (a) the headings appear as a matter of convenience and do not affect the construction of these Rules;
- (b) a reference to any legislation or rules includes the legislation or rules as from time to time amended or re-enacted or substituted;
- (c) the words **written** and **writing** include facsimile communications, emails and any other means of communication resulting in permanent visible reproduction; and
- (d) a **business day** means a day (other than a Saturday, a Sunday or a public holiday) on which registered banks are open for business in the place where the Club's registered office is situated from time to time.

2. Name and commencement

2.1 Name

The name of the incorporated society is Wellington Racing Club Incorporated (the **Club**).

2.2 Rules

These Rules set out the rules governing the Club and are binding on each Member.

2.3 Commencement

These Rules will take effect as the constitution of the Club from the date the rules of RACE Inc are amended to, inter alia, specifically refer to the exercise by the RACE Inc Board of powers of the Committee delegated pursuant to Rule 10.1 (a) (the **Commencement Date**).

2.4 Background

RACE Inc is a club of racing clubs. It was formed for the purpose of providing economies of scale, administrative efficiencies and a shared community of interest for four Manawatu racing clubs (Manawatu Fielding Marton and Rangitikei). Central to the formation of race was the use of Awapuni as a single race venue for all clubs. Subsequently for the same benefits of economy of scale administrative efficiencies and shared community of interest the Wellington Racing Club Inc joined RACE Inc but with the preservation of Trentham race course as the venue for the conduct of those clubs' race meetings.

These rules have been adopted to reflect the new organisational structure following the Club having become a member of RACE inc. Following the Club joining RACE Inc. its assets and liabilities were or remain to be transferred to RACE Inc. in accordance with the agreement completed between the Club and RACE Inc. All financial affairs of the Club, maintenance of the Club's facilities and day-to-day management are now under the delegated control of RACE Inc., all staff are employed by RACE Inc. and the role of the Club's Committee has changed under the new organisational structure.

3. Objects and powers of the Club

3.1 Objects of the Club

- (a) The objects of the Club are:
- (i) The objects for which the Club is established are the holding of race meetings and the promotion of horse racing.
 - (ii) The objects of the Club are subject to the terms of the document by which the Club joined RACE Inc. For so long as a Club is a member of RACE Inc to conduct its activities within the RACE Inc operating structure including without limitation the delegation of all management activities to RACE Inc .
 - (iii) The conduct of thoroughbred horse racing meetings at Trentham and elsewhere
 - (iv) To provide guidance, instruction and direction to its appointed RACE Inc board members

- (v) Participate in the governance of RACE Inc through its appointed board members
- (b) the Club is also:
 - (i) to account to Members on the Club's activities; and
 - (ii) to do all such other things as may be incidental or conducive to the attainment of all or any of the above objects.

3.2 Powers of the Club

The Club has all of the powers of a natural person necessary for, or ancillary or incidental to, fulfilling each object of the Club to the maximum extent permitted by law, including the power to borrow money.

4. Location of the Club

The registered office of the Club will be located at such place within New Zealand as determined by the Committee from time to time.

5. Membership

5.1 Members

- (a) The Committee is to admit every person or body corporate as a Member who:
 - (i) applies to be a Member;
 - (ii) as part of any Club promotion or sponsorship arrangement is awarded a current season membership
 - (iii) meets Club membership criteria as determined by the Club and the RACE Inc Board; and
 - (iv) is not disqualified under the Rules of Racing.
- (b) Upon receiving an application in the form prescribed by the Committee (which shall include a choice to be completed from the then current membership categories available to Members) from a person or body corporate who meets the criteria for membership specified in (a) above, the Committee will decide at a meeting of the Committee whether to accept the person or body corporate as a Member and advise the person or body corporate of its decision. The Committee may delegate the approval of application for membership to one or more of the Committee or to the Chief Executive.
- (c) If accepted as a Member in accordance with (b) above, the Contact Officer will, following payment by the person or body corporate of the Subscription Fee, enter their name in the Members' Register (at which time the person or body corporate will become a Member).
- (d) The Committee may from time to time determine different categories of membership for Members such categories having different rights and entitlements and levels of subscription. Members shall be entitled to select any such category of membership.

- (e) For the avoidance of doubt, a member that is a body corporate may nominate a representative to attend and vote at members meetings on its behalf. The name and contact details of the nominated representative must be notified to the Committee in writing. The Committee may (in its sole discretion) require a member to remove and replace its representative at any time by notice in writing.
- (f) The Committee may from time to time determine the extent of privileges attaching to each category of membership

5.2 Life Membership

- (a) A Member who has been a financial member of the Club for not less than 40 years or who becomes a past President of the Club shall on achieving that status be made a Life Member of the Club at the next following Annual General Meeting of the Club
- (b) The Committee may award life memberships
- (c) Life Members may also be such persons who in the unanimous opinion of the Committee have rendered significant service to the Club and/or the racing industry in New Zealand and in any capacity, and who by virtue of their attainments or reputation are worthy of special consideration.
- (d) Life Members shall have the rights and powers of any ordinary member
- (e) Life Members shall not be required to pay any subscription for their membership.

5.3 No ownership interest in the Club

For the avoidance of doubt, Members will have no ownership interest in the Club or its assets and cannot receive any share in any profits that the Club may make.

5.4 Membership privileges

Each Member of the Club will have the following rights and privileges:

- (a) Members of the Club may be provided with a copy of the Rules.
- (b) Members will have the access rights to designated areas and facilities applicable to their class of membership as determined from time to time by the Club and the RACE Board and such rights shall apply only in respect of Race Meetings.

5.5 Membership obligations

All Members and Honorary and Life Members shall promote the interests and the objects of the Club and shall do nothing to bring the Club into disrepute. All Members and Honorary and Life Members shall, at all times, comply with the Rules of Racing.

5.6 Grievances

- (a) A Member may complain to the Committee in writing if:
 - (i) there has been an unjustified interference with any rights or privileges granted to that Member under these Rules; and/or

- (ii) the Member has concerns regarding the misconduct or discipline of other Members,

(in either case, a **grievance**).
- (b) For the avoidance of doubt, a grievance of the kind described in paragraph (a)(i) above, may relate to the conduct of a Member, a Committee Member or the Club.
- (c) The process followed by the Committee must at all times adhere to the principles of natural justice. As necessary, the Committee must provide the persons concerned with an adequate opportunity to be heard, either in writing or at an oral hearing, and must consider the information provided by such persons before deciding what actions (if any) the Committee will take to remedy the grievance.
- (d) To the extent applicable, the Committee will avoid bias in accordance with Rule 6.3(c) (Process to be followed by Committee in accordance with natural justice) and conflicts generally in accordance with Rule 14 (Conflicts of interest).
- (e) If, in accordance with the investigations conducted by the Committee under (c) above, it becomes apparent that any Member has failed to satisfy the criteria of membership in accordance with Rule 6.1 (Conditions of membership), the Committee must follow Rules 6.2 (Failure to satisfy conditions of membership) and 6.3 (Process to be followed by Committee in accordance with natural justice).
- (f) If, in accordance with the investigations conducted by the Committee under (b) above, it becomes apparent that any Committee Member should be removed from his or her position in accordance with Rule 9.3(b) (Extraordinary vacancy), the Committee may remove that Committee Member accordingly.
- (g) The Committee may, in its sole discretion, elect not to consider or continue consideration of any grievance if it is satisfied that:
 - (i) the matter is trivial or does not appear to disclose material misconduct or material damage to the interests of any Member;
 - (ii) the grievance appears to be without foundation or there is no apparent evidence to support it;
 - (iii) the complainant or Member alleging the grievance has an insignificant interest in the matter; or
 - (iv) the conduct, incident, event or issue has already been investigated and dealt with by or on behalf of the Club.

6. Cessation of membership

6.1 Conditions of membership

- (a) The rights of each Member under these Rules are subject to, and contingent upon, the Member:
 - (i) continuing to satisfy the criteria listed in Rule 5.1(a) (Members);
 - (ii) complying at all times with the Rules of Racing; and
 - (iii) continuing to pay the Subscription Fee.

6.2 Failure to satisfy conditions of membership

- (a) Subject to Rule 6.3 (Process to be followed by Committee in accordance with natural justice), if, in the sole discretion of the Committee, a Member ceases to satisfy any of the criteria listed in Rule 6.1 (Conditions of membership), or is convicted of a criminal offence (including any offence involving dishonesty) or becomes bankrupt, the Committee may (as appropriate):
- (i) censure the Member;
 - (ii) suspend the Member for any period not exceeding [two (2) years], during which period the Member will not be entitled to any of the rights of being a Member; or
 - (iii) terminate the Member's membership, in which event the Member will be removed from the Members' Register and cease to be a Member,

provided that the Committee must terminate the membership of any Member who is disqualified under the Rules of Racing.

6.3 Process to be followed by Committee in accordance with natural justice

- (a) Prior to exercising the powers of censure, suspension or termination under Rule 6.2 (Failure to satisfy conditions of membership), the Committee must provide the Member concerned with the following:
- (i) an explanation of the alleged grounds on which the Committee is considering censuring, suspending or terminating the membership of that Member;
 - (ii) at least five (5) business days' notice of the meeting of the Committee at which the Committee will consider the allegations referred to in (i) above; and
 - (iii) an opportunity to attend that meeting and offer a reply to the allegations (in person or in writing),

and the Committee must, acting in accordance with the principles of natural justice, consider any reply before determining whether to exercise its powers under Rule 6.2 (Failure to satisfy conditions of membership).

- (b) In the event of the Member referred to in (a) above failing to attend or reply to the allegations, the matter may be considered and determined by the Committee in that Member's absence.
- (c) The Committee must take all reasonable steps to avoid bias affecting any Committee Member involved in the decision making referred to in (a) above. If a majority of Committee Members consider that there are reasonable grounds (taking into account all of the circumstances) to infer that one of their fellow Committee Members (the "**Conflicted Committee Member**") may not be able to approach a particular matter being considered impartially or without a pre-determined view, the Conflicted Committee Member may participate but not vote in respect of the relevant matter.

6.4 Voluntary cessation

- (a) A Member may voluntarily relinquish his or her membership of the Club by notifying the Club in writing that he or she wishes to cease to be a Member.
- (b) Following receipt of a notice under (a) above, the Club is to terminate the Member's membership accordingly.

6.5 Consequences of termination of membership

- (a) Each person whose membership of the Club is terminated ceases to be a Member, but is to remain liable to the Club for all moneys due to the Club whether in respect of a Subscription Fee (if applicable) or other obligation of his or her membership of the Club together with any Default Interest payable in respect of any overdue amounts. Any person whose membership has been terminated in accordance with this Rule 6 (Cessation of membership) may apply in writing to the Committee to reinstate their membership.
- (b) The Committee may suspend a member by notice in writing for inappropriate conduct for a period not exceeding 1 calendar month. This power is delegated to the Chief Executive or President or Vice President. Where a member is suspended the member shall not be entitled to any of the rights of members to attend race meetings during the period of suspension.

7. Members' Meetings

7.1 Annual Members' Meeting

- (a) An Annual Members' Meeting of the Club must be held each calendar year prior to 31 December at such time and place as the Committee determines, provided that each Annual Members' Meeting must occur within 15 months of the previous Annual Members' Meeting.
- (b) The business of the Annual Members' Meeting shall be:
 - (i) to adopt the minutes of the previous Annual Members' Meeting and any recent Special Members' Meeting;
 - (ii) to receive, consider and approve the annual report of the Club, including audited annual accounts;
 - (iii) to receive and consider a notice of any disclosures made in accordance with Rule 14 (Conflicts of interest) since the previous Annual Members' Meeting, including a brief summary of the types of matters to which the disclosures relate;
 - (iv) to elect the Elected Committee;
 - (v) to consider and, if thought fit, pass any remits (proposed in accordance with Rule 7.4(a) (Remits) or motions for resolution; and
 - (vi) to consider such other general business as the meeting resolves to consider.

7.2 Special Members' Meetings

- (a) Each Members' Meeting other than an Annual Members' Meeting is a Special Members' Meeting.
- (b) A Special Members' Meeting may be called by the Committee at any time and must be called following written request to the Committee by 20 or more Members.

- (c) A Special Members' Meeting may only consider the matters set out in the notice of the meeting.

7.3 Notice of date, time and place

- (a) The date, time and place for the Annual Members' Meeting or Special Members' Meeting must be notified to each Member and the Auditor not less than one (1) month before the date of that meeting (except in relation to a Special Members' Meeting if in the view of the Committee such notice period is not practicable).
- (b) For the avoidance of doubt, notice may be given to members electronically (including by email).

7.4 Remits

- (a) Any two (2) Members may propose a remit for consideration at any Members' Meeting by written notice to the Contact Officer not less than 21 days before the date of that meeting or, in the event that less than one (1) month's notice of the meeting has been given, by such date as shall be specified in the notice of that meeting.
- (b) The Contact Officer is to include any remits in the notice of the Members' Meeting provided to Members in accordance with Rule 7.5 (Notice of business to be transacted).

7.5 Notice of business to be transacted

- (a) In addition to the requirement stated in Rule 7.3(a) (Notice of date, time and place), a notice of a Members' Meeting including the information specified in (b) below is to be sent to Members and the Auditor not less than 14 days before the date of that meeting or as soon as is reasonably practicable in the event that less than one (1) month's notice of the meeting has been given.
- (b) The notice of meeting must state:
 - (i) the nature of the business to be transacted at the meeting in sufficient detail to enable a Member to form a reasoned judgment in relation to it;
 - (ii) the text of any resolution or remit to be submitted to the meeting;
 - (iii) the time, place and date of the meeting; and
 - (iv) in the case of an Annual Members' Meeting, a report of the activities of the Committee conducted since the previous Annual Members' Meeting.
- (c) For the avoidance of doubt, notice may be given to members electronically (including by email).
- (d) An irregularity in a notice of a Members Meeting may be waived if a majority of all the members attending that meeting agree to the waiver.

7.6 Quorum for Members' Meetings

- (a) No business may be carried out at a Members' Meeting unless a quorum is present.

- (b) Fifteen (15) Members (or their Proxies) personally present and entitled to vote at the meeting will constitute a quorum.
- (c) If a quorum is not present:
 - (i) at an Annual Members' Meeting, the meeting shall stand adjourned to the same time and place on the same day in the following week and the Members present at the adjourned meeting may transact any business but only if there is quorum; and
 - (ii) at a Special Members' Meeting, the Special Members' Meeting shall lapse.

7.7 **Notice not required for adjourned meetings Rule**

- (a) Where an Annual members' Meeting is adjourned under Rule 7.6(c) (1) (Quorum for Members' Meetings, it is not necessary to give notice of the time and the place of the adjourned meeting other than by announcement at the meeting which is adjourned.

7.8 **Chair of Members' Meetings**

- (a) The chair of a Members' Meeting shall be the President. In the event of the President being unavailable or unwilling to chair the Members' Meeting, the Committee Vice President shall Chair the Meeting. In the event the Vice President or Deputy Chair is unavailable then the Committee shall appoint one of its number to chair the meeting.

7.9 **Methods of holding Members' Meetings**

- (a) A Members' Meeting may be held by:
 - (i) a number of Members (or their Proxies), who constitute a quorum, being assembled together in person at the place, date, and time appointed for the meeting;
 - (ii) if determined by the Committee , assembled by means of audio, or audio and visual, communication provided that all Members (or their Proxies) participating and constituting a quorum can simultaneously hear each other throughout the meeting and confirm their attendance at the start of the meeting in a manner satisfactory to the chair of the meeting; or
 - (iii) by such other electronic means as determined by the Committee , so long as all Members (or their Proxies) participating and constituting a quorum can participate in the meeting equally and without unreasonable cost or effort.
- (b) For the avoidance of doubt, any Member participating in a Members' Meeting by means of audio, audio and visual, or other electronic communication (as determined by the Committee) will be counted as part of the quorum for that meeting and will be considered to be "personally present" for the purpose of Rule 7.6(b) (Quorum for Members' Meetings).

7.10 Attendees

- (a) The following persons will be entitled to attend Members' Meetings:
 - (i) Committee;
 - (ii) RACE Board members;
 - (iii) Members (or their duly appointed Proxy);
 - (iv) the Contact Officer;
 - (v) in the case of an Annual Members' Meeting only, the Auditor;
 - (vi) Life Members;
 - (vii) Honorary Life Members;
 - (viii) as an observer, any person employed by the Club;
 - (ix) as an observer, any person invited to attend by the Committee.
- (b) For the avoidance of doubt, an observer at a Members Meeting will have no right to speak to any matter or resolution being considered at that meeting (unless invited to do so by the chair) nor have any right to vote at that meeting.

7.11 Proxies

- (a) Any Member not attending a Members' Meeting may appoint a Proxy (who must be a Member) to speak and vote on its behalf.
- (b) The appointment of a Proxy must be in writing signed by the Member and must be in substantially the following form:

[Member's name] appoints [insert other Member's name] to be its Proxy at the meeting of the Club to be held on [insert date of meeting].
- (c) The instrument appointing a Proxy must be provided to the chair of the Members' Meeting not later than one (1) hour prior to the advertised time for the commencement of the relevant meeting. The instrument appointing a Proxy can be provided electronically.
- (d) Failure to comply with the provisions of this Rule renders the appointment of a Proxy null and void unless the chair of the Members' Meeting deems the circumstances such that the irregularity be waived.

7.12 Voting

- (a) Each Member will be entitled to one vote for each resolution voted on at a Members' Meeting.
- (b) A Member may exercise its vote through its Proxy, validly appointed in accordance with Rule 7.11 (Proxies).
- (c) Voting at a Members' Meeting will be conducted as follows:

- (i) subject to Rule 7.13(d) (Electronic Voting), a resolution put to the vote will be decided upon a show of hands of the Members unless (before or on the declaration of the result of the show of hands) a poll is demanded by the chair of that Members' Meeting or at least three (3) Members (or their Proxies) present; or
- (ii) if a poll is demanded, it will be taken in such a manner as the chair of that Members' Meeting directs. On a poll or ballot each Member (or its validly appointed Proxy) will have one vote.

7.13 Postal Votes / Electronic Voting

- (a) Unless the Committee determines otherwise, Members may not exercise the right to vote at a Members meeting by casting a postal vote, whether on a show of hands, voice, vote or poll.
- (b) If the Committee determines that Members may exercise the right to vote at a Members' Meeting by casting postal votes, the procedures in relation to postal voting shall be those set out in Clause 7 of the First Schedule of the Companies Act 1993 (with such modifications necessary), together with any other procedures determined by the Committee .
- (c) For the avoidance of doubt, Members voting by postal vote will be counted as part of the quorum for the relevant members' meeting.
- (d) The Committee may permit in relation to a particular Members' meeting or generally:
 - (i) The appointment of proxies by electronic means
 - (ii) Postal votes to be cast by electronic means; and
 - (iii) To the extent permitted by law, votes to be cast on resolutions at a Members' Meeting by electronic means
- (e) The procedures in relation to such electronic appointment or electronic voting shall be those required by law (if any) together with any other procedures determined by the Committee. If the Committee permits electronic appointment of proxies or electronic voting in accordance with this rule, such electronic appointments may be made or electronic votes cast notwithstanding any other provision of these rules.

7.14 Resolutions

- (a) Unless otherwise provided in these Rules, any resolution passed by a bare majority of Members (or their Proxies) present and voting at a Members' Meeting will be duly made.
- (b) Notwithstanding (a) above, any resolution relating to the following matters must be passed by not less than 75% of Members (or their Proxies) present and voting at a Members' Meeting to be duly made:
 - (i) an alteration, adoption or revocation of these Rules;
 - (ii) the dissolution of the Club in accordance with Rule 24 (Dissolution).
- (c) Any resolution passed in accordance with (a) or (b) above will be binding on all Members whether present or not at the meeting.

- (d) No resolution may be passed that is inconsistent with any of the objects of the Club

7.15 Minutes to be kept

Minutes must be kept of all proceedings at each Members' Meeting. Minutes of a meeting which have been signed as correct by the chair (or by the person acting as chair for that meeting) are conclusive evidence of the proceedings at that meeting.

7.16 Meeting report

Following each Members' Meeting, the Committee will send a report of the proceedings, including the minutes of the meeting, to all Members.

8. Management of the Club

Management of the Club will be vested in a Committee comprising:

- (a) The President; and
- (b) Vice President; and
- (c) between three (3) and eight (8) Committee Members

9. Committee

9.1 Elected Committee

- (a) Where any of the offices of President, Vice President or Committee Member becomes vacant by reason of expiry of the term of the incumbent an election shall be held at the Annual Members Meeting for that year to fill such vacancies. The Committee following such election shall comprise the President, Vice President and between three (3) and eight (8) Committee Members. The Annual Members' Meeting shall be held each calendar year prior to 31 December.
- (b) Each Member will be eligible to vote in any election for the offices of President, Vice President or Committee Member .
- (c) Any election for the offices of President, Vice President and Committee Member shall be co-ordinated by an agent of the Club appointed by the Committee (the **Election Co-ordinator**). For the avoidance of doubt, the Committee may appoint the President, the Vice President, the Contact Officer or any other person as the Election Co-ordinator.
- (d) The Election Co-ordinator must, not later than four (4) weeks prior to the Annual Members' Meeting, call for nominations for candidates to be elected to any vacancy there may be as a result of the expiry of the term of any incumbent for any of the offices of President, Vice President and committee Members. The notice must also specify the closing date (in accordance with (g) below) by which nominations must be received, and the name and email address of the person to whom the nominations must be provided.
- (e) Each Member eligible to vote in accordance with (b) above may nominate no more than one (1) candidate for each of any vacant positions for the offices of President, Vice President and Committee Member. Subject to Rule 9.4 (Ineligibility for election), any

Member may be nominated as a candidate in accordance with these Rules. For the avoidance of doubt, each candidate must be a Member.

- (f) Each nomination must be received by the Election Co-ordinator no later than one (1) month prior to the Annual Members' Meeting. Each nomination must be accompanied by an application form (as prescribed by the Election Co-ordinator, which is to include a declaration that the person nominated is not ineligible under Rule 9.4 (Ineligibility for election) to hold office completed and signed by the nominator and the candidate. For the avoidance of doubt, a scanned copy of the completed and signed application form emailed to the Election Co-ordinator will be accepted.
- (g) Notice of every eligible nomination received by the Election Co-ordinator by the closing date for nominations (together with the application completed by each nominee) shall be given by the Election Co-ordinator to all persons entitled to vote, in accordance with Rule 9.1(j) (Elected Committee).
- (h) In situations where insufficient eligible nominations are received for any vacancy for the offices of President or Vice President or Committee Member then in the case of Committee Members any eligible candidates nominated for the positions shall be announced and declared to have been elected to those positions at the applicable Annual Members' Meeting and the Committee must call a Special Members' Meeting for Members to elect persons to fill the remaining vacancies and the process described in this Rule 9.1 (Elected Committee) shall apply with any necessary modifications.
- (i) In situations where the number of eligible nominations received for the position of Elected Committee is equal to three (3), four (4), five (5), six (6), seven (7), eight (8), then the eligible nominees shall be announced and declared to have been elected to that position at the applicable Annual Members' Meeting.
- (j) In situations where more than one (1) nomination is received for the office of President, more than one (1) nomination is received for the office of Vice President or more than eight (8) eligible nominations are received for the position of Committee Members, the Election Co-ordinator will provide notice to Members at least 14 days prior to the Annual Members' Meeting notifying Members' of the list of eligible nominees. An election will be held at the Annual Members' Meeting in accordance with this Rule 9.1 (Elected Committee) and the following process:
 - (i) the Election Co-ordinator will provide each Member (or its Proxy) with a voting paper listing the names of each eligible nominated candidate;
 - (ii) each Member must, on receipt of a voting paper provided by the Election Co-ordinator, strike out the names of those candidates for whom that Member does not wish to vote, leaving only the name of the candidate(s) for whom he or she wishes to vote and return the voting paper to the Election Co-ordinator;
 - (iii) the Election Co-ordinator may (in his or her sole discretion) declare invalid any vote that fails to comply with this Rule 9.1 (Elected Committee);
 - (iv) at the conclusion of the voting, the Election Co-ordinator will count the number of valid votes cast in favour of each candidate and, unless the circumstances in (v) below applies, determine the ten (10) highest polling candidates to be elected as the Elected Committee;
 - (v) in the event of a tie (being an equal number of votes) for the positions of an Committee Members, the tie shall be resolved as soon as possible by the drawing of lots. "Drawing of lots" refers to resolution of a tie by a method of chance that is random, and does not prejudice any candidate (such as a coin toss, a drawing of names or a drawing of straws). The drawing of lots will be

carried out by the Election Co-ordinator in the manner the Election Co-ordinator deems appropriate; and

- (vi) the Election Co-ordinator will then announce the result of the election at the Annual Members' Meeting and declare each elected candidate President, Vice President or a Committee Member as the case may be. The Election Co-ordinator must retain the voting papers for three (3) months at which time they must be destroyed.
- (k) Subject to the occurrence of any factor listed in Rule 9.3(a) (Extraordinary vacancy), the President, Vice President and each Elected Committee Member will hold office from the conclusion of the Annual Members' meeting at which they are declared President or Vice President or a Committee Member for a term until the conclusion of the Annual Members' Meeting to be held in the third year after their election to that office.
- (l) Each Committee Member whose term is due to expire under (k) above may stand for re-appointment as a Committee Member for a further term but shall not be eligible to stand for a third term as a Committee Member without the approval of the RACE Inc Board. Nothing in this clause shall prevent a Committee Member who has served two terms as a Committee Member standing for the office of Vice President or President.
- (m) Each Vice President whose term is due to expire under (k) above may stand for re-appointment as Vice President for a further term but shall not be eligible to stand for a third term as Vice President without the approval of the RACE Inc Board. Nothing in this clause shall prevent a Vice President who has served two terms standing for the office of President.
- (n) Each President whose term is due to expire under (k) above may stand for re-appointment as President for a further term but shall not be eligible to stand for a third term as President without the approval of the RACE Inc Board.

9.2 Chair and deputy chair

- (a) (a) The President shall be the chair of the Committee and the Vice President(s) shall be the deputy chair of the Committee.
- (b) (b) The Vice President will preside at any meeting from which the President is absent or where the President declines to preside or is conflicted under Rule 14 (Conflicts of interest).

9.3 Extraordinary vacancy

- (a) In the event of an extraordinary vacancy caused by:
 - (i) death;
 - (ii) resignation by notice in writing to the Committee ;
 - (iii) removal by the Committee under Rule 9.4(b) (Extraordinary vacancy);
 - (iv) any ineligibility of the President, Vice President or a Committee Member to undertake his or her role; or
 - (v) any other incapacity,

of any Committee Member, the Committee will follow the procedure set out in Rule 9.4(c) (Extraordinary vacancy).

- (b) The Committee may remove the President or the Vice President or any Committee Member from office in the event that he or she is, in the Committee's sole opinion:
 - (i) ineligible to hold his or her position in accordance with Rule 9.4 (Ineligibility for election as a Committee Member);
 - (ii) breaching his or her duties under these Rules or otherwise;
 - (iii) acting in a manner that is or is likely to bring the Club into disrepute;
 - (iv) absent without leave of the Committee from more than two successive meetings of the Committee;
 - (v) not acting in good faith and what the Committee believes to be in the best interests of the Club;
 - (vi) exercising his or her powers for an improper purpose; or
 - (vii) acting, or agreeing to the Club acting, in a manner that contravenes, the Rules of Racing, any legislation (including the Racing Act) or these Rules.
- (c) Where an extraordinary vacancy occurs in respect of the President the Vice President shall become the President.
- (d) Where an extraordinary vacancy occurs in respect of the Vice President a Vice President shall be appointed by the majority of the Committee .
- (e) Where an extraordinary vacancy occurs in respect of an Committee Member who has more than six (6) months of his or her term remaining, then the Committee may elect to manage with a reduced number or, should the number of Committee Members fall below the minimum, to appoint a Committee Member(s) as they consider appropriate.
- (f) Any person appointed in accordance with Rule 9.3 (Extraordinary vacancy) will hold office as a Committee Member for the remainder of the term of the Committee Member who caused such extraordinary vacancy and may, at the expiry of that term, stand for re-appointment.

9.4 Ineligibility

Notwithstanding any other provision of these Rules, the following persons are ineligible to be elected or appointed as President, Vice President or Committee Member .

A person who:

- (a) is under 18 years of age;
- (b) is an undischarged bankrupt;
- (c) is prohibited from being a director or promoter of, or being concerned or taking part in the management of, an incorporated or unincorporated body under the Companies Act 1993, the Financial Markets Conduct Act 2013, or the Takeovers Act 1993;
- (d) is disqualified from being an officer of a charitable entity under section 31(4)(b) of the Charities Act 2005;

- (e) has been convicted (whether before or after the commencement of these Rules) of any of the following crimes, or of being a party to any such crime:
 - (i) crimes involving dishonesty, fraud, forgery, bribery, corruption or an indictable offence;
 - (ii) participation in an organised criminal group under section 98A of the Crimes Act 1961; or
 - (iii) a criminal offence, if the person is not eligible under the Criminal Records (Clean Slate) Act 2004;
- (f) is disqualified, or is otherwise ineligible to hold the position of Director, in accordance with the Rules of Racing; or
- (g) is otherwise disqualified or ineligible to be appointed as an officer of the Club under the Incorporated Societies Act 1908 or any successor Act.

10. Powers and duties of Committee

10.1 Management of the Club

- (a) All powers associated with the business and financial affairs of the Club, including the control and investment of funds of the Club, the management of property of the Club, the borrowing of money by the Club and the appointment of an auditor as detailed in Schedule 1 for so long as the Club is a member of RACE Inc irrevocably delegated to and shall be managed by, or under the direction or supervision of, the RACE Inc Board.
- (b) The residual non-delegated powers and responsibilities for management of the Club shall rest with the Committee and shall comprise:
 - (i) being the principal governing body of the Club with responsibility for overseeing the competent and lawful conduct of the Club's affairs; and
 - (ii) encouraging and overseeing the work of the Club in accordance with the objects and the policies from time to time laid down by the Club at its Members Meeting's; and
 - (iii) electing or appointing, by any means determined by the Committee, the number of representatives permitted by NZ TR to attend a general meeting of NZTR on behalf of the Club, in accordance with the rules of NZTR, as amended from time to time; and
 - (iv) establishing such other committees or subcommittees and groups as it considers appropriate and delegating such powers as it considers appropriate, to assist it to carry out its responsibilities; and
 - (v) co-opting, engaging contracting or otherwise agreeing to obtain the assistance or advice of any person or organisation for the Club; and
 - (vi) resolving and determining any disputes or matters not provided for in these Rules; and
 - (vii) appointing legal accounting or other advisors as and when necessary; and

- (viii) Instructing the Clubs RACE Inc Board representatives on the Club's position in relation to matters affecting RACE Inc, in particular the venue at Trentham; and
- (ix) making decisions concerning the components of race day activities in conjunction with RACE Inc. management; and
- (x) conducting race meetings with the assistance of RACE Inc staff; and
- (xi) carrying out promotional activities associated with Club race days; and
- (xii) arranging social functions for members and sponsors; and
- (xiii) Procuring sponsors for race meetings; and
- (xiv) generally act in accordance with all powers, duties and obligations contained in these rules; and
- (xv) subject to Rule 10.1 (a) do all other acts and things which are within the power set out above and the objects in which the Committee considers appropriate.

10.2 Exercise of powers by Committee

- (a) Subject to the Rules of Racing and the RACE Inc Board (in respect of powers delegated under Rule Rule 10.1(a) and the Committee (in respect of powers under Rule 10.1 (b)) may exercise all the powers of the Club which are not required, either by the Incorporated Societies Act or these Rules, to be exercised by the Members at a Members' Meeting. The Committee may develop, amend and implement any policies, procedures or by-laws as determined by the Committee, which are not inconsistent with policies, procedures or by-laws as determined by the RACE Inc Board, in its sole discretion from time to time.
- (b) The Members or any other person in whom a power is vested by these rules or the Incorporated Societies Act, may ratify the purported exercise of power in Rule 10.2(b) (Exercise of powers by Committee) in the same manner as the power may be exercised.
- (c) The purported exercise of a power that is ratified under this rule is deemed to be and always to have been a proper and valid exercise of that power.
- (d) The Committee may delegate to a sub-committee, a Committee Member, an employee of the Club / RACE Inc., or to any other person or class of persons, any one or more of its powers, vested in the Committee pursuant to this Rule.
- (e) The Committee shall from time to time appoint as many representatives to the RACE Inc board as may from time to time be required including alternate representatives. The representatives appointed shall act in accordance with the guidelines instructions and directions provided to it by the Committee but shall otherwise have a discretion to act and vote in what they consider to be the best interests of the Club. The representatives appointed shall report back to the Committee in respect of RACE Inc matters. Any appointment may be revoked by the Committee at any time.
- (f) In exercise of its powers the Committee shall not do anything that is inconsistent with the objects of the Club

10.3 Sub-committees

- (a) The Committee may, by General Resolution, establish or disestablish sub-committees to advise the Committee and may delegate any of its powers (excluding the general power to manage and control all of the affairs of the Club) to any such sub-committee.
 - (i) subject to paragraph (b) below, may include persons appointed by the Committee who are not Committee Members, but the Committee must appoint a Committee Member as that sub-committee's chair;
 - (ii) subject to paragraph (b) below, may co-opt or second any person it deems necessary (provided the sub-committee resolves to do so and the sub-committee's chair approves) to assist the sub-committee to carry out its duties on a short-term basis;
 - (iii) will have no power, unless specifically authorised by the RACE Board in writing, to bind the Club;
 - (iv) must regularly report to the Committee on its activities;
 - (v) must comply with any requirements or regulations imposed on it by the Committee;
 - (vi) may, as determined by the Committee, include the President, Vice President Chief Executive Officer and/or Contact Officer as ex-officio members; and
 - (vii) subject to any other provision of these Rules, may regulate its own conduct and proceedings.
- (b) No person shall be appointed to a sub-committee who would not be eligible to be a Committee Member of the Club under Rule 9.5 (Ineligibility for election as a Committee Member).

10.4 Committee Members duties

- (a) A Committee Member, when exercising powers or performing duties, is to act in good faith in what the Committee believes to be the best interests of the Club and in the manner which he or she believes will best attain the objects of the Club.
- (b) A Committee Member is to exercise a power for a proper purpose.
- (c) A Committee Member may not act, or agree to the Club acting, in a manner that contravenes the Rules of Racing, the Racing Act, the Incorporated Societies Act or these Rules.
- (d) A Committee Member may not:
 - (i) agree to the affairs of the Club being carried on in a manner likely to create a substantial risk of serious loss to the Club's creditors; or
 - (ii) cause or allow the affairs of the Club to be carried on recklessly or in a manner likely to create a substantial risk of serious loss to the Club's creditors.

- (e) A Committee Member may not agree to the Club incurring an obligation unless the Committee Member believes at that time on reasonable grounds that the Club will be able to perform the obligation when it is required to do so.
- (f) A Committee Member, when exercising powers or performing duties as a Committee Member, is to exercise the care, diligence and skill that a reasonable Committee Member would exercise in the same circumstances taking into account:
 - (i) the nature of the Club;
 - (ii) the nature of the decision;
 - (iii) the circumstances applying at the time; and
 - (iv) the position of the Committee Member and the nature of the responsibilities undertaken by him or her.
- (g) To the extent applicable, the members of any sub-committee appointed by the Committee in accordance with Rule 10.3 (Sub-committees) must comply with the duties outlined in this Rule.

11. Quorum and voting at Committee meetings

11.1 Quorum required

- (a) Unless extraordinary circumstances exist, no business may be transacted at a Committee meeting if a quorum is not present.
- (b) A quorum for a Committee meeting is six (6) or more Committee Members present.
- (c) If a quorum is not present within 30 minutes after the time appointed for the commencement of a Committee meeting, the meeting is to be adjourned to such other date, time, and place as the chair may appoint.

11.2 Voting at Committee meetings

- (a) At any meeting of the Committee all questions will be decided by the affirmative votes of at least a bare majority of Committee (51%) eligible to vote (a **General Resolution**), provided that any question relating to:
 - (i) the setting of any Subscription Fee;
 - (ii) adoption of the annual financial budget;will be decided by a resolution requiring the affirmative votes of at least [three-quarters (75%) of Committee Members eligible to vote (a **Special Resolution**).
- (b) Subject to Rules 6.3(c) and Rule 14.1 each Committee Member is to have one vote.
- (c) In the event of equality of voting the status quo will be maintained.
- (d) The chair (or in his or her absence, the deputy chair) will have a deliberate vote but no casting vote.

11.3 Written Resolutions

- (a) A resolution in writing, signed or assented to by at least 75% of the Committee Members entitled to vote on that resolution is as valid and effective as if it had been passed at a meeting of the Committee duly convened and held. Each Committee Member must be given notice of the form of the proposed resolution. Any such resolution may consist of several documents including electronic or other similar means of communication) in like form, each signed or assented to by one (1) or more Committee Members. A copy of any such resolution must be entered in or kept with the records of Committee proceedings.

12. Meeting of Committee

12.1 Methods of holding meetings

- (a) A minimum of one (1) meeting of the Committee Members must be held during at least six (6) months of the year and may be conducted either:
 - (i) by a number of the Committee Members who constitute a quorum, being assembled together at the place, date and time appointed for the meeting;
 - (ii) by means of audio, or audio and visual, communication by which all the Committee Members participating and constituting a quorum can simultaneously hear each other throughout the meeting and confirm their attendance at the start of the meeting; or
 - (iii) by such other electronic means as determined by the chair, so long as all Committee Members participating and constituting a quorum can participate in the meeting equally and without unreasonable cost or effort.
- (b) For the avoidance of doubt, any Committee Member participating in a meeting of the Committee by means of audio, audio and visual, or other electronic communication (as determined by the Committee) will be counted as part of the quorum for that meeting.

12.2 Notice of meeting

- (a) A Committee Member or, if requested by a Committee Member to do so, an employee of the Club approved by the Committee for this purpose, may convene a meeting of the Committee .
- (b) Notice of a meeting of the Committee is to be provided to each Committee Member by:
 - (i) notifying in writing (including electronically), every Committee Member ; and/or
 - (ii) publishing notice of a meeting in any newsletter or publication (including electronically) as the Committee determines.
- (c) Unless impracticable in the circumstances, a minimum of three (3) business days' notice must be given prior to any meeting of the Committee .
- (d) The chair may invite any person to attend a Committee Meeting

12.3 Waiver of irregularity

- (a) An irregularity in a notice of meeting of the Committee is waived if;

- (i) All Committee Members entitled to receive notice of the meeting attend or participate in the meeting without protest as to the irregularity; or
- (ii) All Committee Members entitled to receive notice of the meeting agree to the waiver

12.4 **Insufficient number of Committee Members**

The Committee may act notwithstanding any vacancy in their body provided that the total number of Committee is not less than six (6)

12.5 **Absent chair**

If at any meeting the chair and the deputy chair are not present at any meeting within 15 minutes after the time appointed for the commencement of the meeting, the Committee Members present may choose one of their number to be chair of the meeting.

12.6 **Minutes to be kept**

Minutes must be kept of all proceedings at each meeting of the Committee . Minutes of a meeting which have been signed as correct by the chair (or by the person acting as chair for that meeting) are conclusive evidence of the proceedings at that meeting.

12.7 **Other procedures**

Except as set out in this Rule, the Committee may regulate its own procedure.

13. **Rules of Racing and NZTR**

13.1 **Rules of Racing**

Notwithstanding any other provision of these Rules, the Club shall be bound by, and subject to, the Rules of Racing.

14. **Conflicts of interest**

14.1 **Exclusion from voting**

No Committee Member (including any member of a sub-committee established by the Committee in accordance with Rule 10.3 (Sub-committees)) may vote on a resolution of the Committee or the sub-committee or sign any document relating to the entry into a transaction or the initiation of the matter in respect of any matter in which that Committee Member has an interest, including (without limitation) if the Committee Member:

- (a) is a party to the transaction, could derive a material financial benefit from the transaction, or has a material financial interest in another party to the transaction; or
- (b) is a director, officer or trustee of either another party to the transaction, or a person who could derive a material benefit from the transaction; or
- (c) is the parent, child, spouse, civil union partner or de facto partner of either another party to the transaction, or a person who could derive a material benefit from the transaction; or

(d) is otherwise directly or indirectly materially interested in the transaction.

14.2 **Quorum**

A person who is prevented from voting on a matter as a result of being interested under paragraph (a) above, may still be counted for the purpose of determining whether there is quorum at any meeting at which the matter is considered. However, if 50% or more of the members of the Sub-Committee are prevented from voting on a matter, a Special Members' Meeting must be called to consider and determine the matter.

14.3 **Disclosure**

Any "interest" must be disclosed as soon as practicable after the Committee Member becomes aware of the interest. The nature and extent of the interest (including any monetary value of the interest if it can be quantified) must also be disclosed. After disclosure, the Committee Member may not participate in any decision on that matter, and may be excluded by the rest of the Committee or sub-committee from any discussion on it.

14.4 **Interest register**

The Committee must maintain an "interests register" recording the particulars of the Committee Member's "interest". This "interests register" shall be open for inspection by Members upon reasonable notice to the Contact Officer. A summary of the "interests register" must be presented to each Annual Members' Meeting.

15. **Remuneration and other benefits**

15.1 **Payments**

The Committee may recommend to RACE Inc. fixed payments and other benefits (if any) to the President, Vice Presidents and chair of any sub-committee of the Committee for the next financial year of the Club and subject to RACE Inc. board approval for approval by Members at the Annual Members' Meeting held after the beginning of that financial year.

16. **Indemnity and insurance**

16.1 **Indemnity for Committee Members and sub-committee members**

- (a) Each Committee Member [and sub-committee member appointed in accordance with Rule 10.3], from time to time, is to be indemnified by the Club for any costs incurred by him or her in any proceeding:
 - (i) that relate to liability for any act or omission in his or her capacity as a Committee Member or sub-committee member; and
 - (ii) in which judgment is given in his or her favour, or in which he or she is acquitted, or which is discontinued.

- (b) Each Committee Member and sub-committee member appointed in accordance with Rule 10.3 (Sub-committees), from time to time, is to be indemnified by the Club for any liability or costs in respect of:
 - (i) liability to any person other than the Club for any act or omission in his or her capacity as a Director; or
 - (ii) costs incurred by him or her in defending or settling any claim or proceeding relating to any such liability.
- (c) However, a Committee Member or sub-committee member's right to be indemnified does not extend to any liability or costs incurred that are the result of a criminal act or a breach of any fiduciary duty owed to the Club or in relation to any wilful default or fraudulent acts or omissions on the part of the Committee Member or sub-committee member..

16.2 Indemnities for employees

In addition to the indemnity set out in Rule 16.1 (Indemnity for Committee Members), the Club may indemnify an employee of the Club for any costs referred to in Rule 16.1 (Indemnity for Committee Members).

16.3 Insurance

The Committee must ensure that, to the extent permitted by law, the Club procures and maintains appropriate insurance in respect of:

- (a) its indemnity obligations in Rules 16.1 (Indemnity for Committee Members) and 16.2 (Indemnities for employees) above; and
- (b) liabilities that a Committee Member, sub-committee member or employee may incur in their capacity as a Committee Member, sub-committee member or employee, including the defence costs associated with defending allegations of such liability.

16.4 Duty to certify

The Committee Members who vote in favour of authorising the effecting of insurance under Rule 16.3 (Insurance) are to sign a certificate stating that, in their opinion, the cost of effecting the insurance is fair and reasonable for the Club to incur in the circumstances.

17. Contact Officer

- (a) The Committee shall confirm the appointment of the Chief Executive as a Contact Officer upon and subject to the terms and conditions set out in this Rule 17 (Contact Officer).
- (b) The Contact Officer must be at least 18 years of age and ordinarily resident in New Zealand.
- (c) The Contact Officer will be the principal administrative officer of the Club and will perform all such duties as required of the Contact officer as that role may be defined in the Incorporated Societies Act (if at all) from time to time.
- (d) Subject to paragraph (c) above, the Contact Officer will perform all such duties as the Committee from time to time decides.

- (e) Without limiting the generality of the duties which the Committee may direct the Contact Officer to perform, the Contact Officer will be responsible for the following duties:
- (i) recording and keeping minutes of all meetings of the Club, the Committee and, as directed by the Committee, any sub-committees;
 - (ii) conducting all of the correspondence of the Club;
 - (iii) supervising all other agents or employees of the Club or RACE Inc whose engagement will be approved from time to time by the RACE Inc Board;
 - (iv) keeping or causing to be kept all books and records as are required by the Rules of Racing, the Incorporated Societies Act, the Racing Act or any other applicable legislation;
 - (v) keeping accounts and records of, and reporting to the Committee on, persons who have and who are to pay any Subscription Fee as determined by the Committee; and
 - (vi) keeping or causing to be kept full records of all financial transactions of the Club.

18. Register of Members and access to information

- (a) The Contact Officer will compile and maintain at the offices of the Club, a Members' Register. The register is to include all information required to be kept by the Committee, in accordance with any rules or legislation by which the Club is bound.
- (b) The Members' Register shall be made available to NZTR upon request where NZTR can demonstrate to the Committee that it is necessary to enable it to fulfil its integrity function. In respect of any other request from NZTR for the Members Register in respect of NZTR's other functions and requirements the Committee shall consider the same and having regard to the provisions of The Privacy Act 1993 and any other matters the Committee considers relevant provide such information as it considers appropriate.
- (c) The Members Register shall not be made available to members.

19. Subscription Fees Rule

- (a) All Members must pay in advance a subscription fee due on 1 August each year.
- (b) Subject to clause 19 (c) the Committee shall set the subscriptions for the various categories of membership provided that before any change in subscriptions is made the same shall be ratified and approved by the RACE Inc Board
- (c) The RACE Inc Board may in its sole discretion increase the amount of the subscription fees payable for the various categories of membership provided that no subscription fee shall be increased by the RACE Inc Board more than once each calendar year.

20. Financial records and auditing

20.1 Money received by the Club

- (a) All Subscription Fees and other moneys received by or on behalf of the Club is to be paid to the credit of the RACE Inc's account as the RACE Inc Board may appoint from time to time.
- (b) All cheques drawn on or withdrawals made by RACE Inc from the Club's account will be authorised by signature of any two of the following:
 - (i) the Contact Officer; or
 - (ii) the RACE inc. Chief Financial Officer
 - (iii) such other persons as designated from time to time by the RACE Board.

20.2 No pecuniary gains

- (a) Subject to Rule 15 the funds and property of the Club will be devoted solely to the objects specified in Rule 3 (Objects and powers of the Club), and for the purposes of the Incorporated Societies Act 1908, no pecuniary gains will be derived by any Member from the operations or property of the Club.
- (b) No Committee Member or any employee of the Club may enter into any contract with the Club or RACE Inc, except with the approval of the Committee (excluding the interested Committee Member) or Members at a Members' Meeting, or except if the contract is an employment contract between an employee of the Club and the Club or relates to the provision of services to RACE Inc.
- (c) No Member or any person associated with a Member shall participate in or materially influence any decision made by the Club in respect of the payment to or on behalf of that Member or associated person of any income, benefit, or advantage whatsoever. Any such income paid shall be reasonable and relative to that which would be paid in an arm's length transaction (being the open market value) and shall not be for the private pecuniary profit of that Member or associated person.
- (d) Rule 20.4(c) (No pecuniary gains) does not prohibit any payment for:
 - (i) a salaried employee of the Club appointed in accordance with these Rules;
 - (ii) professional services rendered to the Club in the course of its business charged at no greater than current market rates in circumstances where the provisions in these Rules governing conflicts of interests have been complied with;
 - (iii) goods supplied, on arm's length terms, to the Club in the ordinary course of business; or
 - (iv) any reasonable out-of-pocket expenses incurred by a Committee Member , sub-committee member, employee or Member acting in the interests of the Club and with the written approval of the RACE Board.
- (e) Notwithstanding any other provision of these Rules, a Member's membership in the Club shall not be deemed to confer upon that Member any right, title, or interest, either legal or equitable, in the property of the Club.

21. Annual report and statement of accounts

- (a) The Committee will prepare or cause to be prepared a report of its activities and the state of the industry for the year ended 31 July in each and every year, such report to be signed on behalf of the Committee by the President and distributed by mail or otherwise notified (including electronically if required) to every Member as soon as practicable after 31 July and not later than 14 days prior to the date of the Annual General Meeting and not later than 31 December.
- (b) The RACE Board will prepare or cause to be prepared an audited statement of income and expenditure and balance sheet of the Club for the year ended 31 July in every year, such report to be signed on behalf of the Committee by the President, and to be certified as correct by the Auditor, and distributed by mail or otherwise notified (including electronically if required) to every Member as soon as practicable after 31 July and not later than 14 days prior to the date of the Annual General Meeting and not later than 31 December.
- (c) In accordance with the Club's obligations under the Racing Act, the Committee will provide to the New Zealand Racing Board, as soon as practicable after 31 July each year, a copy of the Club's audited financial statements for the 12 month period ending 31 July. All financial statements sent in accordance with this Rule must be in a form, and based on accounting principles, as determined from time to time by the New Zealand Racing Board.
- (d) In accordance with the Club's obligations under the Gambling Act 2003 as a "Class 4" society, the Committee will provide to the Department of Internal Affairs, within three months of the end of the Club's financial year, a report of its activities (including an itemised statement of the application or distribution of net proceeds from class 4 gambling for authorised purposes) and audited financial statements.

22. Amendment to Rules

- (a) Authority to amend, alter, add to or rescind these Rules will be vested solely in the Members, and no amendment, alteration, addition or rescission of these Rules will become effective unless proposed as a remit in accordance with Rule 7.4 (Remits) and approved by a resolution of Members passed by not less than 75% of Members present and voting at a Members' Meeting and signed by no less than three (3) Members.
- (b) Notwithstanding any other provision of these Rules, the Members shall not amend, alter or add to these Rules in any manner which is inconsistent with, or contrary to, the Racing Act (including any Rules of Racing issued under the authority thereof), the Incorporated Societies Act, the Income Tax Act 2007 (or any successor enactments to such statutes) and all other applicable legislation. The provisions and effect of this Rule shall not be removed from these Rules and shall be included and implied in any document replacing these Rules.

23. Signing of documents and common seal

- (a) The common seal of the Club is to be kept in the custody of the Contact Officer or honorary solicitor and will only be affixed to any deed or document in pursuance of a resolution of the Committee and in the presence of one or two of the President or Vice President and, if only one, one other Committee Member or the Contact Officer.
- (b) Subject to (a) above, an obligation or contract which is required by law to be in writing, and any other written obligation or contract which is to be entered into by the Club, may,

with the approval of a resolution of the Committee, be signed on behalf of the Club by two of the President, Vice President and any Committee Members.

- (c) Any obligation or contract which must be by deed must be made under common seal in accordance with (a) above.

24. Dissolution

- (a) The Club may be wound-up or put into liquidation by a resolution of its Members in accordance with the procedures (including any notice requirements) specified in the Incorporated Societies Act.
- (b) In the event of the Club being wound-up or put into liquidation in accordance with (a) above, the property and surplus assets of the Club after payment of the Club's liabilities and the expenses of the winding-up must be disposed of in accordance with section 27 of the Racing Act, for racing, public, charitable, or other purposes in the manner that the Club determines. Where at the time of dissolution the Club is a member of RACE Inc the assets of the Club shall be distributed to RACE Inc.
- (c) For the avoidance of doubt, the Club must not distribute any property or surplus assets to or among Members upon dissolution.

25. Executive Officer (Chief Executive Officer)

- (a) The Committee has appointed the CEO of RACE Inc for the time being as an Executive Officer to assist the Committee with the management of the Club and its relationship with RACE Inc. That appointment shall continue for so long as the Club remains a member of RACE Inc.
- (b) The Executive Officer will perform all such duties as delegated to it by the Committee from time to time.
- (c) The terms of employment of the Executive Officer will be decided by the RACE Inc Board, including salary, expense allowances, superannuation and the provision of any real or personal property required to enable such officer to fulfil his or her duties.
- (d) The Executive Officer is entitled to attend and speak at all meetings of the Committee but will not be entitled to exercise a vote at any meeting of the Committee or any sub-committee.
- (e) The Executive Officer shall also be the Chief Executive Officer of each of the other RACE Inc member clubs

26. Notices

- (a) Each notice or other communication under these Rules that is to be in writing, is to be made by facsimile, email, personal delivery or by post to the addressee at the facsimile number, email address or physical address, and is to be marked for the attention of the person or office holder (as applicable), from time to time designated for the purpose by the addressee to the Committee.

27. Notice Effective

No communication is to be effective until received. A communication is deemed to be received by the addressee;

- (a) In the case of the facsimile or email on the day on which it is sent or, if sent after 5pm (in the place of receipt) on a business day or, if sent on a non-business day, on the next business day after the date of sending.
- (b) In the case of personal delivery when delivered, and
- (c) In the case of a letter, on the fifth day after posting by fastpost or by email.

28. General

Any matters affecting the Club not provided for in these Rules must be decided by the Committee in light of, and without prejudicing, the objects of the Club set out in Rule 3 (Objects and powers of the Club).

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Schedule 1: Powers and functions of the RACE Inc Board

The powers and functions of the RACE Inc Board in relation to each of the member clubs including the Club shall include (without limitation) the power to:

1. adopt an annual plan and budget for financial performance and to monitor results against the annual plan and budget; and
2. exercise control of all the training facilities of the Club from time to time; and
3. purchase, lease, hire or by other means acquire any real or personal property necessary or convenient for furthering the objects; and
4. sell, lease, exchange, mortgage, improve, manage, develop or otherwise deal with all or any part of the real and personal property of the Club, or in which the Club has or may hereafter have any beneficial interest; and
5. borrow or raise money by mortgage or otherwise and in such manner, with or without security, on such terms as the Board must think fit; and
6. publish and enforce the rules of the Club; and
7. appoint an Executive Officer, who will manage and direct the affairs of the Club subject to any restrictions imposed by the Board; and
8. dismiss the Executive Officer, provided such dismissal is in accordance with the laws of New Zealand; and
9. adopt clearly defined delegations of authority from the Board to the Executive Officer and to confirm delegation from the Executive Officer.
10. Appoint an auditor for RACE inc and all of the RACE inc member clubs including the Club.

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