



**Constitution of
MotorSport New Zealand Inc**

May 2018

MSNZ Constitution

Note: All text changes from the previous issue of this Constitution are highlighted such. Text changes for grammatical and/or formatting reasons are not highlighted.

1. Definitions:

AGM means Annual General Meeting.

Advisory Commissions means any **Advisory** Commission established pursuant to Rule 15.2.

Appointed Board Member means a Board Member appointed under Rule 14.8

By-Laws means additional rules established to regulate the organisation as per Rule 22.

Board means the Board of MSNZ.

Board Member means a member of the Board, including Elected Board Members and Appointed Board Members.

Chief Executive Officer means the Chief Executive Officer of MSNZ.

Club means a club described in Rule 6.

Constitution means this Constitution and any amendments made to it.

Day means Calendar Days.

Elected Board Member means a Board Member elected under Rule 14.

General Meeting means an AGM or SGM.

Member means and includes all classes of members of MSNZ described under Rule 5.

Member d'Honneur means any person given that Membership by way of special appointment made under Rule 11.

MSNZ means MotorSport New Zealand Incorporated.

National Sporting Code means all the rules and regulations as defined in the National Sporting Code from time to time.

Objects means the objects of MSNZ described under Rule 3.

Ordinary Resolution means a resolution passed by a majority of votes cast.

President d'Honneur means any person given that Office by way of special appointment as per Rule 11.

President means the President of MSNZ.

Register means the register of Members specified in Rule 9.

Rules means these rules and "Rule" shall have a corresponding meaning.

SGM means Special General Meeting.

Special Resolution means a resolution passed by two-thirds of votes cast.

2. Name:

2.1 The name of the incorporated society is MotorSport New Zealand Incorporated.

2.2 The registered office of MSNZ shall be at the place as determined by the Board from time to time.

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3. Objects:

3.1 The objects of MSNZ are:

- (a) To be the national body in New Zealand to promote, develop and foster the various sports and competitions involving automobiles with four or more wheels ("automobile sport") for recreation and entertainment;
- (b) To support and assist its Members to deliver automobile sport in New Zealand;
- (c) To encourage, promote and provide education about automobile sport and automobile sport competition as an activity that promotes and maintains the health and wellbeing of all participants in automobile sport in New Zealand;
- (d) To promote opportunities and facilities to enable, assist and enhance the participation, enjoyment and performance in automobile sport in MSNZ's activities;
- (e) To promote, develop and co-ordinate competitions for all automobile sport-related activities of MSNZ;
- (f) To affiliate and co-operate with kindred and other organisations, including the Federation Internationale de L'Automobile ("FIA") and as such, enforce the rules and regulations of the FIA in New Zealand;
- (g) Determine, publish and enforce the rules or National Sporting Code for automobile sport in New Zealand;
- (h) Determine records and awards for automobile sport competition;
- (i) Act in good faith and loyalty to ensure the maintenance and enhancement of MSNZ and motorsport, its standards, quality and reputation for the collective and mutual benefit of the Member Clubs and motorsport;
- (j) At all times to operate with, and promote, mutual trust and confidence between MSNZ and its Member Clubs in pursuit of these objectives;
- (k) At all times to act on behalf of, and in the interests of, the Member Clubs and motorsport.

4. Powers:

4.1 MSNZ has the power, subject to this Constitution to:

- (a) Purchase, lease, hire or otherwise acquire, hold, manage, maintain, insure, sell or otherwise deal with property and other rights, privileges and licences;
- (b) Control and raise money including to borrow, invest, loan or advance monies and secure the payment of such money by way of mortgage or charge over all or part of any of its property and enter into guarantees;
- (c) Sell, lease, mortgage, charge or otherwise dispose of any property of MSNZ and grant such rights and privileges over such property as it considers appropriate;
- (d) Determine, raise and receive money by subscriptions, donations, fees, levies, entry or usage charges, sponsorship, government funding, community funding or otherwise;
- (e) Produce, develop, create, license and otherwise exploit, use and protect the intellectual property of MSNZ;
- (f) Make, alter, rescind, enforce this Constitution, and any rules, By-Laws, regulations, policies and procedures for the governance, management and operation of MSNZ;

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- (g)** Determine, implement and enforce disciplinary, disputes and appeal procedures, including rules, regulations and policies for such and, conduct hearings and impose sanctions and penalties including for anti-doping against its members, office bearers, President d'Honneur and/or other appointed or elected personnel;
- (h)** Consider and settle disputes between Members;
- (i)** Determine who are its Members and withdraw, suspend or terminate membership;
- (j)** Enter into, manage and terminate contracts or other arrangements with employees, sponsors, Members and other persons and organisations;
- (k)** Make, alter, rescind and enforce rules of competition;
- (l)** To develop and amend the National Sporting Code and its appendices;
- (m)** Organise and control competitions, events and programmes;
- (n)** Assign functions to, and enter into agreements with, organisations such as Sport New Zealand, the Sports Tribunal of New Zealand and the Drug Free Sport New Zealand;
- (o)** Delegate powers of MSNZ to the Board or any other person, committee or sub-committee;
- (p)** Be a member, affiliate, be associated to, purchase or otherwise acquire all or any part of the property, assets and liabilities of any one or more companies, institutions, incorporated societies, or organisations whose activities or objects are similar to those of MSNZ, or with which MSNZ is authorised to amalgamate or generally for any purpose designed to benefit MSNZ;
- (q)** Determine policies and procedures to effectively administer automobile sport;
- (r)** Subject to FIA approval, determine rules to control automobile sport;
- (s)** Register and licence individuals, clubs and organisations to participate in and arrange competitions and events for automobile sport;
- (t)** Establish an interest in corporate or other entities to carry on and conduct all or any part of the affairs of MSNZ and for that purpose, to utilise any of the assets of or held on behalf of MSNZ;
- (u)** Print and publish any news related and marketing or public relations focused printed material and implement any computer systems or software packages that MSNZ may consider desirable for the promotion of its objects;
- (v)** Produce, develop, create, licence and otherwise exploit, use and protect its intellectual property;
- (w)** Do any other acts or things which are incidental or conducive to the attainment of the Objects of MSNZ.

4.2 The powers listed in Rule 4.1 must only be used to further the Objects of MSNZ as set out in this Constitution.

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5. Membership:

5.1 The Members of MSNZ shall be:

- (a) Member Clubs as defined in Rule 6.1;
- (b) Presidents d'Honneur
- (c) Members d'Honneur

6. Clubs:

6.1 Any club which is incorporated and which wishes to be a Member of MSNZ shall apply to the Board for membership on the following basis:

- (a) Such application shall be determined by the Board who must establish a written policy for how such applications will be assessed;
- (b) Clubs which are so admitted will be known as "Member Clubs";
- (c) This clause does not apply to any club which is Member of MSNZ at the adoption of this Constitution, who will all hold status as Member Clubs from such time.

6.2 In addition to its obligations as a Member under Rule 7, each Member Club must:

- (a) Administer, promote, and develop automobile sport in the Club in accordance with the Objects of MSNZ, this Constitution and any regulations and By-Laws, any policies and procedures determined by MSNZ, the rules of the FIA, the International Sporting Code of the FIA and any directions or decisions of MSNZ or persons or organisations authorised to make those decisions by MSNZ;
- (b) Recognise MSNZ as the national governing body for automobile sport in New Zealand;
- (c) Be, and maintain registration as, an incorporated society under the Incorporated Societies Act 1908 or any Act passed in substitution;
- (d) Have, as its members, individuals and other members it considers appropriate;
- (e) Adopt the Objects of MSNZ under its constitution, which must not be inconsistent with this Constitution, however this does not apply to the existing constitutions of all existing clubs at the time of adoption of this constitution;
- (f) Apply its property and capacity in pursuit of the Objects of MSNZ and the objects of the Club (provided that each Club will have the discretion to prioritise between such Objects);
- (g) Do all that is reasonably necessary to enable the Objects of MSNZ and the objects of the Club to be achieved;
- (h) Act in good faith with loyalty to MSNZ to ensure the maintenance and enhancement of MSNZ and automobile sport, and its reputation, and to do so for the collective and mutual benefit of the Members and automobile sport;
- (i) Operate with, and promote, mutual trust and confidence between MSNZ and the Members; and
- (j) At all times act in the interests of the Members and automobile sport.

6.3 Each Member Club shall, on request, provide to MSNZ a copy of its constitution and any proposed amendments to it. The Board may require a Member Club to amend its constitution if it, or any proposed rule within it, is inconsistent or in conflict with the Constitution or regulations, by-laws or policies of MSNZ.

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6.4 Each Member Club shall maintain a register of its members in the format determined by the Board. Each Member Club shall provide its register of members to MSNZ as requested from time to time.

6.5 Each Member Club shall pay to MSNZ any fees and levies relating to automobile sport competition and membership as determined by MSNZ.

6.6 Member Clubs may only make or receive any pecuniary gain through their membership of MSNZ as permitted by the Incorporated Societies Act 1908, or any Act passed in substitution.

7. Membership Rights and Obligations:

7.1 Members acknowledge and agree that:

- (a)** An application for membership must be in writing and in such format as may be required by the Board from time to time. All applications for membership will be determined by the Board.
- (b)** Members are bound by this Constitution and by the regulations, By-Laws, policies and procedures of MSNZ.
- (c)** In order to receive or continue to receive membership entitlements, Members must meet all requirements of membership set out in this Constitution or as otherwise set by the Board, including payment of any membership or other fees within the time period specified by this Constitution or notified by the Board from time to time.
- (d)** The failure by a Member to comply with Rule 7.1(c) may result in suspension of the membership entitlements of that Member by the Board but shall not excuse such Member from being bound by this Constitution.

7.2 Membership of MSNZ is annual, and expires on 31 December in each year. For membership to be renewed, a member must:

- (a)** Give notice to MSNZ of their intention to renew before such date; and
- (b)** Be in compliance with their duties and obligations as Members at the time of giving notice; and
- (c)** Pay the annual subscription fee.

8. Resignation and Termination of Membership:

8.1 A Member may resign by notice in writing to the Board.

8.2 Membership may also be suspended or terminated by the Board if a Member fails to comply with this Constitution including any codes of conduct or requirements set out in regulations, By-Laws, policies or procedures of MSNZ or if a member acts in a manner which is considered by the Board to be harmful to MSNZ or inconsistent with the standards of behaviours expected of a Member by the Board.

8.3 A Member whose membership is suspended or terminated by the Board may apply for the matter to be reviewed by such process as may be specified in any regulations, By-Laws, policies or procedures of MSNZ or in the absence of any relevant provisions then by a General Meeting. If the issue goes before a General Meeting then the decision of the Board may only be overturned by a Special Resolution passed at the General Meeting.

9. Register of Members:

9.1 The Chief Executive Officer shall keep and maintain a Register in which shall be entered the full name, address and Officers of the Member Club and the date of entry of each Member and any other details about each Member as agreed by that Member.

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9.2 All Clubs shall provide written notice of any change to its details in Rule 9.1, to MSNZ within thirty(30) days of the change taking place. All other Members shall provide written notice directly to MSNZ of any change to the details in Rule 9.1.

10. Officers of the Organisation:

10.1 The officers of MSNZ shall be:

(a) The President; and

(b) Board Members.

10.2 The President shall be elected triennially at the AGM. The President shall hold office for three(3) years until the conclusion of voting at that year's AGM. The President may be re-elected for a maximum of two(2) further subsequent and consecutive terms of office. The President shall be the Chairman of the Board.

10.3 Nominations for the President shall be made in the same manner and at the same time as nominations for Elected Board Members under Rule 14.

11. Positions of Honour:

11.1 The Board may from time to time award either the title of President d'Honneur or Member d'Honneur upon such persons whom it considers has given distinguished service to automobile sport in New Zealand.

11.2 The title shall be held by such persons for their lifetime, until they resign or are required to relinquish it by the Board as a result of a decision of the Judicial Committee or the National Court of Appeal.

11.3 A President d'Honneur or a Member d'Honneur may, by invitation of the Board, attend and speak at Board and General Meetings, but shall not have any voting rights.

12. General Meetings:

12.1 MSNZ must hold an AGM once every year at such time, date and place as the Board determines but not more than fifteen(15) months after the last AGM.

12.2 Any other General Meetings shall be SGMs.

12.3 Remits to alter the Constitution or remits that require a Special Resolution must be received in writing by the Chief Executive Officer from Members or the Board at least one hundred(100) days before the date set for the AGM as passed at the previous year's AGM. If a date for the AGM was not set at the previous year's AGM the closing date for remits to alter the Constitution and Special Resolution remits is 31 January ahead of the next AGM, provided that the next AGM is not held before 10 May in that year.

(a) If the remit is an amendment to a provision contained in the existing Constitution it must include the existing text to be changed and the new text to be adopted. If the remit is for a new provision to the Constitution it must include the new text to be adopted. Remits that require a Special Resolution must specifically set out the intention of the Special Resolution and provide the proposed text of the resolution.

(b) The Board has thirty(30) days to review the constitutional change remit or the Special Resolution remit and liaise with the submitting Member in order to clarify the intent of the remit and to ensure that the wording of the proposed change addresses all relevant matters, and is in a format that can be adopted. Where there is disagreement between the submitting Member and the Board regarding the intent, format or wording of the remit, the remit shall be forwarded to Member Clubs as submitted and the Board shall have the right to include its comments.

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- (c) The Chief Executive Officer shall forward the resultant constitutional change remit and/or the Special Resolution remit to Member Clubs no later than sixty(60) days before the commencement date of the forthcoming AGM.
- 12.4** The Board must give Members at least ninety(90) days' written notice of the AGM. The notice may be given by such methods as the Board may determine, and shall include notice that remits to alter the Constitution and/or that require a Special Resolution have been received when such remits have been submitted correctly.
- 12.5** All other remits and other items of business for the AGM must be received in writing by the Chief Executive Officer from Members or the Board at least thirty(30) days before the date set for the AGM.
- 12.6** The following business shall be discussed at the AGM:
- (a) The receipt from the Board of an audited annual financial report for the preceding financial year;
 - (b) The election of any vacancies arising in the positions of Elected Board Members and Advisory Commissions;
 - (c) The election of any vacancy arising in the position of the President;
 - (d) The appointment of scrutineers for the meeting;
 - (e) Any remits proposing to alter the Constitution or that require a Special Resolution; and
 - (f) Any other items of business that have been properly submitted for consideration at the AGM.
- 12.7** An agenda containing the business to be discussed at an AGM (as set out in Rule 12.6) including further copies of any remits to alter the Constitution or other items of business that require a Special Resolution, shall be sent by the Chief Executive Officer to the Board and the Members by no later than twenty one(21) days before the date of the AGM. No additional items of business not listed on the agenda may be voted on but may be discussed by majority agreement of the meeting.
- 12.8** **Special General Meetings:** The Board must convene and give written notice to the membership of a SGM within thirty(30) days upon receipt of a written request from:
- (a) The Board itself; or
 - (b) A minimum of eight(8) Member Clubs.
- 12.9** The written request for an SGM must state the purpose for which the SGM is requested. Where the request includes a remit to alter the Constitution or that requires a Special Resolution the process prescribed in Rules 12.3(a) & 12.3(b) shall be observed.
- 12.10** The SGM must only deal with the business for which the SGM is requested as detailed in such written request.
- 12.11** Unless the Board, in its discretion, determines that the nature of the business that is the subject of the SGM is of such urgency that a shorter period of notice is required, the Board must give Members notice of a SGM as follows:
- (a) at least sixty(60) days for remits to alter the Constitution or that require a Special Resolution; or
 - (b) at least thirty(30) days for all other items of business.
- 12.12** **Minutes:** Full minutes shall be kept of all General Meetings and made available upon request by Members.

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- 12.13** Any irregularity, error or omission in notices, agendas and relevant papers of General Meetings or failure to give notice within the required time frame or the omission to give notice to all Members and any other error in the organisation of the meeting shall not invalidate the meeting nor prevent the meeting from considering the business of the meeting provided that:
- (a) The Chairperson in his or her discretion determines that it is still appropriate for the meeting to proceed despite the irregularity, error or omission; and
 - (b) A motion to proceed is put to the meeting and a majority, of two-thirds of votes cast, is obtained in favour of the motion to proceed.
- 12.14** **Quorum:** No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting is due to commence. The quorum for a General Meeting shall be at least forty(40) or half of the Member Clubs (whichever is the lesser) who are entitled to vote. The quorum must be present at all times during the meeting.
- 12.15** If a quorum is not obtained within half an hour of the intended commencement time of the General Meeting, then the General Meeting shall be adjourned to such other day, time and place as determined by the Board and if no quorum is obtained at the stage of such further General Meeting, then the Members present at that further General Meeting are deemed to constitute a valid quorum.
- 12.16** **Delegates:** Delegates to General Meetings will be appointed in accordance with the following provisions:
- (a) Each Member Club shall elect or appoint one(1) delegate as a representative of that Member Club.
 - (b) Such appointment must be notified to the office of MSNZ at least forty five(45) days before an Annual General Meeting and fifteen(15) days before other General Meetings.
 - (c) A delegate may be replaced with another delegate at any time provided that such replacement has been notified to the Chief Executive Officer of MSNZ prior to the date of the General Meeting.
 - (d) Member Clubs who have not elected or appointed a delegate in accordance with this rule may only otherwise send a delegate to a General Meeting if a majority agreement of those delegates who were appointed in accordance with this rule agree.
- 12.17** **Control of General Meetings and Voting:** The Chairperson of MSNZ shall preside at the General Meeting. If the Chairperson is unavailable then another member of the Board (elected by the Board) shall preside and in the absence of either such person, then the Members present shall elect a person to be the Chairperson of the General Meeting.
- 12.18** The following persons are entitled to be present at a General Meeting
- (a) One(1) delegate from each Member Club;
 - (b) Not more than two(2) observers from each Member Club;
 - (c) The President;
 - (d) The President(s) d'Honneur or a Member d'Honneur;
 - (e) Board Members;
 - (f) The Chief Executive Officer;
 - (g) **Advisory** Commission Members; and
 - (h) Any other persons or organisations who have been invited by the Chairperson of the Board.

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- 12.19** Only delegates appointed under Rule 12.16 may vote at a General Meeting. Each delegate will have one(1) vote.
- 12.20** Voting shall be by a majority of those Club delegates present, entitled to vote and voting. However, any motion to amend this Constitution in accordance with Rule 23, or appoint a liquidator in accordance with Rule 25, will require a Special Resolution be passed.
- 12.21** Those people listed in Rule 12.18 (a) to (h) may have speaking rights as follows:
- (a) Club delegates as of right;
 - (b) Club observers through the Club Delegate;
 - (c) Advisory Commission Members through the Advisory Commission Chair;
 - (d) Any other persons as approved by the Chair of the Meeting in his or her sole discretion.
- 12.22** **Method of Voting:** Voting shall generally be conducted by show of ballot cards except where this Constitution provides otherwise. If requested by two(2) or more delegates at the meeting the Chairperson shall request a vote by a show of ballot cards to determine whether the items of business under discussion shall be voted on by a secret ballot.
- 12.23** An Ordinary Resolution at a General Meeting shall be sufficient to pass a resolution except as specified in this Constitution.
- 12.24** Proxy votes and postal votes are not permitted.
- 12.25** In the event of an equal number of votes at a General Meeting, the Chairperson shall have a casting vote with the exception of elections for President, Elected Board Members and Other Elections, where Rule 14.7 shall apply.
- 12.26** In the event that a secret ballot is called, two(2) scrutineers must be appointed at the General Meeting to count the votes.
- 13. Board:**
- 13.1** **Role of the Board:** The governance of MSNZ shall be carried out by the Board, which may exercise all the powers of MSNZ and do all things which are not expressly required to be undertaken by MSNZ at a General Meeting.
- 13.2** **Membership of the Board:** The Board shall comprise of six(6) members; four(4) members including the President elected at the AGM under Rule 14, and two(2) members appointed by the Board under Rule 14.8. No person shall be both a Board Member while also being a member of an Advisory Commission (provided that if, for any reason whatsoever, a Board Member vacates his office with the Board that Board Member will immediately become eligible for election or appointment to an Advisory Commission).
- 13.3** **Ineligibility:** A person seeking election, or to remain in office as an Elected Board Member shall be eligible to do so only if they are a member of a Member Club, but the following persons shall not be eligible for election or appointment, or to remain in office as a Board Member:
- (a) A person who is an employee of, or current contractor to, MSNZ, or any subsidiary company of MSNZ.
 - (b) A person who is an undischarged bankrupt or who is subject to a condition not yet fulfilled or any order under the Insolvency Act 1967, or any equivalent provisions under any previous or replacement legislation.
 - (c) A person who has been convicted of any offence punishable by a term of imprisonment of two(2) or more years (whether or not a term of imprisonment is imposed) unless that person has obtained a pardon or has served the sentence imposed on them.

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- (d) A person who is prohibited from being a director or promoter of or being concerned or taking part in the management of a company under the Companies Act 1993 or the Charities Act 2005.
 - (e) A person who is found to lack competence to manage their own affairs under the Protection of Personal and Property Rights Act 1988.
- 13.4** If any Board Member becomes disqualified under Rules 13.3 (a) to (e) that Board Member shall be deemed to have vacated his or her office upon a relevant and competent authority making an order or finding that such event has occurred.
- 13.5 Terms of Office of Board Members:** Except where provided otherwise in this Constitution, the term of office for all Board Members shall be three(3) years in accordance with the following:
- (a) Terms of office for Board Members will be staggered so that one third of the Board Members will be elected or appointed each year, with their term expiring on conclusion of the relevant AGM.
 - (b) Board Members may be re-elected or reappointed for not more than two(2) further subsequent and consecutive terms of office and any Board Member who has served three(3) consecutive terms of office may only be elected or appointed to the Board again following a three(3) year stand down period.
 - (c) Prior to each AGM, the Chief Executive Officer shall advise the Board of the schedule of rotation and the vacancies arising in Board Member positions at the AGM.
 - (d) Should Elected Board Member nominations be invited in any year for different terms, the highest polling candidate shall be elected to the longer term vacancy.
- 13.6 Transitional Arrangements:** To give effect to the provisions in Rule 13.5, the following people will be deemed to have been elected as Board Members on the conclusion of the 2016 AGM:
- (a) Any Board Members elected at the 2016 AGM, who will serve a two(2) year term expiring on the conclusion of the 2018 AGM; and
 - (b) Any Board Members elected at the 2015 AGM, who will serve to complete their elected term of office, expiring on conclusion of the 2017 AGM.
 - (c) The initial term of any subsequent Elected Board Members to be for a period of up to three(3) years to enable effective transition to Rule 13.5.
 - (d) Thereafter the election of Elected Board Members to be in accordance with the provisions of Rule 13.5.
 - (e) The first Appointed Board Member shall be appointed in 2016 in accordance with the provisions of Rule 14.8, regardless that this may increase the Board size for a short period.
 - (f) The initial term of any Appointed Board Member to be for a period of up to three(3) years to enable effective transition to the provisions of Rule 13.5.
 - (g) Any vacancies arising during the transition shall be utilised to give early effect to the revised Board structure.
- 13.7 Vacancies on the Board:** In the event there is a vacancy on the Board arising from the departure of a Board Member, the remaining Board Members may appoint a person of their choice to fill the vacancy or the Board may leave the vacancy unfilled until the next AGM.

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- 13.8** The term of office for a person appointed as a Board Member to fill a vacancy of a Board Member under Rule 13.7 shall expire at the conclusion of the AGM following their appointment. At that AGM, a permanent replacement Board Member will be elected or appointed under the procedures set out in Rule 14 provided that the term of such replacement Board Member will expire at the same time as the departing Board Member's would have had he or she remained in office.
- 13.9** **Removal of Board Member:** The Members in an SGM called for such purpose may, by Special Resolution, remove any Elected Board Member before the expiration of their term of office if the Members determine at the SGM that the Board Member has breached his or her duties as specified in Rule 15 or is otherwise unfit to continue holding office.
- The Board may, by Special Resolution, remove any Appointed Board Member before the expiration of their term of office if the Board determines that the Board Member has breached his or her duties as specified in Rule 15 or is otherwise unfit to continue to hold office.
- 13.10** On the Board receiving or issuing a request for a SGM for the purpose of removing an Elected Board Member, the Chief Executive Officer shall send the notice to the Board Member concerned in addition to the Members in accordance with Rule 12.10.
- 13.11** Following notification under Rule 12.10 and before voting on the resolution to remove a Board Member, the Board Member affected by the proposed resolution shall be given the opportunity prior to and at the SGM to make submissions in writing and verbally to the Board and the Members about the proposed resolution. Should the Board propose to remove an Appointed Member, opportunity shall be given to the affected Board Member to make submissions in writing and verbally to the Board.
- 13.12** The Board may, with the approval of a motion passed by a Special Resolution for an Elected Board Member, and by Special Board Resolution for an Appointed Board Member, remove any Board Member from the Board, before the expiry of their term of office if the Board considers the Board Member concerned has seriously breached their duties as specified in Rule 15 such that immediate removal is considered appropriate. Before such a motion may be considered by the Board the following must have occurred:
- (a) The Board Member concerned shall be notified that a Board meeting is to be held to discuss the proposal to remove the Board Member from office; and
 - (b) The Board Member concerned will be given an opportunity to make submissions about the proposed motion to the Board in writing prior to the Board meeting and by submission in person at the Board meeting.
- 14. Election of President, Election / Appointment of Board Members and Other Elections:**
- 14.1** If required, elections of the President and Elected Board Members and other elections as provided for in this Constitution or By-Laws at an AGM must be undertaken by secret ballot (by those Member Club delegates present and entitled to vote) following nomination for election by a Member Club.
- 14.2** The nomination must comply with the following criteria:
- (a) The nominee must be a member of a Member Club;
 - (b) The nominee must be nominated by a Member Club;
 - (c) The nomination must be seconded by another Member Club;
 - (d) The nominee must give written notice to the registered office of MSNZ of their acceptance of the nomination;
 - (e) The nominee must not be an employee of, or engaged as a contractor to, MSNZ;
 - (f) The total number of nominations received from a Member Club must not exceed the total number of positions vacant;

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- (g) The nomination must be received at the registered office of MSNZ no later than forty five(45) days prior to the General Meeting.

14.3 If there are fewer nominations than the vacant number of positions to be filled, the position shall be left vacant and filled as if it were a vacancy to be filled in accordance with Rule 13.7.

14.4 Where the number of nominations equals the number of positions to be filled, the nominees shall be declared elected without the need for an election.

14.5 Those nominees for the vacant positions who have the highest number of votes cast in their favour will be declared elected. In the event of a tied vote for a term of office, the process prescribed in Rule 14.7 shall be observed.

14.6 Where the positions to be filled have different terms of office, the nominee with the highest number of votes cast in their favour will be declared elected for the longest term of office, the nominee with the second highest number of votes cast in their favour will be declared elected for the second longest term of office, and so on, until all the positions have been filled. In the event of a tied vote for a term of office, the process prescribed in Rule 14.7 shall be observed.

14.7 Where due to there being two(2) or more nominees receiving the same number of votes the election process is not able to be completed in accordance with Rules 14.5 and 14.6, a subsequent secret ballot shall be held as follows:

(a) All nominees with a higher number of votes than the tied nominees will be declared elected in accordance with Rule 14.5 and/or Rule 14.6 where applicable and will be removed from the subsequent secret ballot;

(b) All remaining nominees will be included in the subsequent secret ballot;

(c) The nominee(s) for the remaining vacant position(s) who has(have) the highest number of votes cast in their favour will be declared elected;

(d) If the subsequent secret ballot still results in a tied vote for a remaining vacant position, the ballot scrutineers shall determine the elected nominee by the drawing of a lot.

14.8 Appointment of Board Members:

(a) At the first Board meeting following an AGM, the Board shall give consideration to the skills, experience and attributes preferred for any Appointed Board Member vacancy.

(b) The Board shall provide Member Clubs with these preferences, and invite nominations from Member Clubs for persons identified as suitable candidates taking account of those preferences. The Member Club shall provide the Board with information on the nominee's skills, experiences and attributes in its nominations.

(c) The Board shall determine a timeframe for response and consideration.

(d) The Board shall take such advice as appropriate as to the skills required, and the consideration of nominations received.

(e) The Board will make the appointment decision at a subsequent Board meeting.

15. Duties and Powers of the Board:

15.1 Duties of the Board: The duties of each Board Member are to:

(a) Regularly attend Board meetings and General Meetings of MSNZ;

(b) Provide good governance for MSNZ;

(c) Exercise the powers of the Board for proper purpose;

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- (d) Regularly monitor and review the performance of MSNZ, including the setting and measuring of performance standards expected of the Chief Executive Officer;
- (e) Act in good faith and the best interests of MSNZ at all times;
- (f) Act, and ensure MSNZ acts, in accordance with this Constitution;
- (g) Formulate such By-Laws, regulations, policies and procedures as are appropriate for MSNZ;
- (h) Where appropriate, engage in activities to promote, market, represent and fundraise for MSNZ;
- (i) Disclose to the Board the nature and extent of any interest in a transaction or proposed transaction as soon as the Board Member becomes aware of the fact that he or she has such interest;
- (j) Take such other steps as determined by the Board in respect of any interest specified in Rule 15.1(i), which may include, without limitation, abstaining from deliberations or vote regarding such interest;
- (k) Not disclose information that the Board Member would not otherwise have available other than in his or her capacity as a Board Member, to any person, or make use of or act on the information except:
 - (i) As agreed by the Board for the purposes of promoting or running motorsport;
 - (ii) As required by law; or
 - (iii) To persons, or for reasons identical to those specified in sections 145(2) and 145(3) of the Companies Act 1993 or any other Act passed in substitution;
- (l) Do such other things within these rules as the Board agrees to promote the objects of MSNZ;
- (m) Be responsible for setting the tone and ethical culture of MSNZ.

15.2 Powers of the Board: The Board shall have the power to:

- (a) Appoint the Chief Executive Officer;
- (b) Define delegations of authority from the Board to the Chief Executive Officer, Advisory Commissions and Committees;
- (c) Adopt and review the strategic plan for all automobile sport;
- (d) Adopt and review the annual plan and budget for MSNZ;
- (e) Determine applications from clubs wishing to be Members of MSNZ;
- (f) Hold national meetings and forums for the Members, including General Meetings;
- (g) Sanction competitions and events as automotive sport events;
- (h) Approve rules and regulations for any MSNZ affiliated competitions or events;
- (i) Establish sub-committees, Advisory Commissions, or other groups to carry out any work of the Board by its delegated authority;
- (j) Employ, engage or otherwise appoint officials and other support personnel for MSNZ permitted automobile sport events and to determine the terms and conditions of such appointments and, if necessary, terminate such appointments;

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- (k) Determine the yearly calendar for international, national, and other MSNZ competitions;
 - (l) As may be required by this Constitution, fill vacancies on the Board, and any Advisory Commissions, committees or other groups which are established by it;
 - (m) Control expenditure and raise funds to fulfil the Objects of MSNZ;
 - (n) Open and operate in the name of MSNZ such bank accounts as it deems necessary;
 - (o) Make, repeal or amend any regulations, policies and procedures as it thinks appropriate, provided that such policies and procedures are not inconsistent with this Constitution;
 - (p) Engage, contract or otherwise agree to obtain the assistance or advice of any person or organisation for the Board;
 - (q) Establish such corporate and other entities to carry on and conduct all or any part of the affairs of MSNZ;
 - (r) Resolve and determine any disputes or matters not provided for in this Constitution; and
 - (s) Do all other acts and things which are within the powers and Objects of MSNZ and which the Board considers are appropriate;
 - (t) Shall only be able to enter into major transactions (involving 50% or more of MSNZ assets) with the support of 75% of the members present at an AGM.
- 15.3** If any situation arises that, in the opinion of the Board, is not anticipated or provided for in the Constitution, By-Laws or any regulations, policies or procedures of MSNZ, the matter will be determined by the Board.
- 16. Board Meetings and Procedure:**
- 16.1** At its first meeting following the AGM, the Board shall confirm the appointment of the President as Chairperson.
- 16.2** Except to the extent specified in this Constitution, the Board shall regulate its own procedure.
- 16.3** The role of the Chairperson is to chair meetings of the Board and to represent the Board. In the event of the unavailability of the Chairperson for any reason, then another Board Member appointed by the Board shall undertake the Chairperson's role during the period of unavailability.
- 16.4** The Board shall meet at regular intervals agreed by the Board Members, provided that meetings may be called at any time by the Chairperson or any two(2) Board Members.
- 16.5** The quorum for a Board meeting shall be four(4) Board Members.
- 16.6** Each Board Member shall have one(1) vote. The Chairperson shall have one(1) vote but no right to an additional casting vote. Voting shall be by voices or upon request of any Board Member by a show of hands or by a ballot. Proxy and postal voting are not permitted.
- 16.7** A resolution in writing, signed or consented to by email, facsimile or other forms of visible or other electronic communication by a majority of the Board shall be valid as if it had been passed at a meeting of the Board. Any such resolution may consist of several documents in the same form each signed by one or more Members of the Board.
- 16.8** Any Board Member may participate in any meeting of the Board and vote on any proposed resolution at a meeting of the Board without being physically present. This may only occur at meetings by telephone, through video conferencing facilities or by other means of electronic communication provided that prior notice of the meeting is given to all Board Members and all persons participating in the meeting are able to hear each other effectively and simultaneously. Participation by a Board Member in this manner at a meeting shall constitute the presence of that Board Member at that meeting.

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- 16.9** The Board may reimburse its Board Members for their actual and reasonable expenses incurred in the conduct of MSNZ's business. However, the Board may only do if it has established a policy for such matters.
- 17. Chief Executive Officer:**
- 17.1** There shall be a Chief Executive Officer of MSNZ who shall be employed for such term and on such conditions as the Board may determine.
- 17.2** The Chief Executive Officer shall be answerable to the Board and shall be responsible for the day-to-day management of the affairs of MSNZ in accordance with the Rules, regulations, By-Laws, policies and procedures of MSNZ and within such delegated authority as may be imposed by the Board.
- 17.3** The Chief Executive Officer may attend Board meetings as and when required by the Board but will have no voting rights.
- 18. Discipline:**
- 18.1** Any Member Club, or member of a Member Club, or office bearer of MSNZ, or holder of a licence issued by MSNZ, or any person promoting, or acting in an official capacity at, a series, meeting or event, or the owner or tenant of any property or venue used for motor sport events who, in the opinion of MSNZ acts, or omits to act, in a way that is prejudicial to MSNZ or automobile sport generally, or which brings MSNZ or automobile sport generally into disrepute, (called "misconduct") may be disciplined by MSNZ.
- 18.2** For misconduct which occurs during an event, competition, or meeting as defined in the National Sporting Code, the member or office bearer or licence holder may be disciplined in accordance with the National Sporting Code.
- 18.3** Any other misconduct which is not dealt with under Rule 18.1 or Rule 18.2 of this Constitution may be dealt with by the Judicial Committee delegated that responsibility by the Board.
- 18.4** **Judicial Committee:** The Judicial Committee shall consist of not less than three(3) persons appointed by the Board annually for a one(1) year term. It shall have the power to hear and determine those matters set out in the National Sporting Code and impose the penalties set out in the Code. It may regulate its own procedure but must comply with the principles of natural justice.
- 18.5** **Appeal:** Any person subject to the disciplinary procedures of this Rule 18 has the right of appeal to the National Court of Appeal, and then to the International Court of Appeal, in accordance with the National Sporting Code.
- 18.6** Any Member Club or office bearer or licence holder who is disciplined by MSNZ must first exhaust their appeal rights within MSNZ and FIA, if applicable, before seeking recourse to the courts of New Zealand.
- 19. Finances:**
- 19.1** Unless otherwise determined by the Board, the financial year of MSNZ shall end on the 31st day of December each year.
- 19.2** Statements of financial position and financial performance shall be audited each year and the audited accounts shall be submitted to the AGM. The auditors shall be appointed at each AGM.
- 20. Subscriptions:**
- 20.1** Each Member Club shall pay an annual subscription no later than 31 December each year. The amount of such subscription shall be fixed by Members at the AGM.
- 20.2** The Board may also require Member Clubs pay such other fees or levies as it may determine from time to time.

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- 20.3** Every Member Club shall supply, on request of the Board each year, an account of its members and a copy of the Member Club's statement of annual accounts for its last financial year or shorter period that may be applicable.
- 20.4** Any Member Club which does not comply with Rules 20.2 and 20.3 of this Constitution within three(3) months of the due date shall incur a penalty payment as determined by the Board and shall automatically cease to be a member of MSNZ.
- 21. Common Seal:**
- 21.1** MSNZ shall have a common seal. The Board shall determine when the common seal is to be used and make provision for its safe custody in accordance with the Incorporated Societies Act 1908.
- 22. By-Laws:**
- 22.1** The Board may, from time to time, make and amend By-Laws, if the following has occurred:
- (a)** All Member Clubs have been notified of the proposed addition or amendment at least thirty(30) days prior to the meeting in which they are to be considered by the Board;
 - (b)** Such notification invites written submissions from Member Clubs to be provided within fourteen(14) days prior to the specified meeting date;
 - (c)** The Board consider such submissions, and if it considers necessary, may invite the Member Clubs' representatives to present the submission to the Board;
 - (d)** Should one third of the Member Clubs as at the date of the Board meeting oppose the proposed addition or amendment, the Board may not proceed to consider it and it must be placed on the business for the next Annual General Meeting.
- 22.2** The By-Laws have the same effect as this Constitution and shall be binding on Members accordingly. If there is any inconsistency between the By-Laws and this Constitution, then this Constitution shall prevail.
- 23. Alterations of Rules:**
- 23.1** The Constitution may only be altered, added to or rescinded by Special Resolution passed at a General Meeting as defined in Rule 12.19.
- 23.2** No alteration, addition to or revision of this Constitution shall be approved if it affects the not-for-profit objects, personal benefit prohibition or the winding-up rules of MSNZ. This Rule 23 must not be removed from the Constitution and must be included in any alteration of, addition to, or revision of, the Constitution.
- 24. Application of Income:**
- 24.1** The income and property of the organisation shall be applied solely towards the promotion of the Objects of MSNZ. No Member of MSNZ, or anyone associated with a Member may take part in or influence any decision made by MSNZ in respect of payments to, or on behalf of, the Member or associated person of any income, benefit, or advantage.

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24.2 Except as provided in this Constitution:

- (a)** No portion of the income or property of MSNZ shall be paid or transferred, directly or indirectly, by way of dividend, bonus, or otherwise to any Member or Board Member; and
- (b)** No remuneration or other benefit in money or money's worth shall be paid, or given, by the organisation to any Member or Board Member, and
- (c)** No honoraria may be paid to any Board Member.

24.3 Any payments made to a Member of MSNZ, or person associated with a Member, must be for goods or services that advance the purpose of MSNZ, and must be reasonable and relative to payments that would be made between unrelated parties. This provision and its effect must not be removed from the Constitution and must be included in any alteration of, addition to, or revision of, the Constitution.

25. Liquidation:

25.1 MSNZ may voluntarily be put into liquidation if:

- (a)** A Special Resolution at a General Meeting passes a resolution appointing a liquidator; and
- (b)** Such Special Resolution is confirmed in a subsequent Special General Meeting, called for that purpose, and held not later than thirty(30) working days, after the date on which the resolution was passed.

25.2 Upon appointment of a liquidator the provision of Part XVI of the Companies Act 1993 or any Act passed in substitution, shall apply to the liquidation of MSNZ.

25.3 If upon the winding-up or dissolution of MSNZ there remains after the satisfaction of all its debts and liabilities any property whatsoever, the property shall not be paid to or distributed among the Members of MSNZ but shall be given or transferred to some other not-for-profit organisation body having objects similar to the objects of MSNZ.

26. Dispute Resolution:

26.1 In the event of any difference or dispute between or within MSNZ and its Members or officers in relation to any matters contained in this Constitution, or its application or interpretation, (excluding matters arising under Rule 18), those concerned shall use their best endeavours to resolve the difference or dispute by agreement between them and may use an agreed mediator for that purpose.

26.2 If agreement cannot be reached the dispute shall be submitted to arbitration, which may include the International Court of Arbitration for Sport if agreed, to be heard and decided in accordance with the practice or procedures that are agreed or in accordance with the Arbitration Act 1996 or Act passed in substitution.

27. Indemnity:

27.1 MSNZ shall indemnify every member of the Board, the Chief Executive Officer and other officers and employees of MSNZ in respect of all liability arising from the proper performance of their functions connected with MSNZ.