



## **Proposed Changes to Constitution**

During the course of the year the Board has identified a number of areas in the constitution that the Board considers should be revised. These are primarily in the areas of:

- Terms of office
- Amendments to the powers to remove board members
- Ability to reappoint existing board members without the need to advertise (except for elected positions)
- Clarifications of definitions and updates to legislative references that have no impact on SSNZs authority or powers or member benefits under the constitution.

All changes are outlined below, including the reason for the change. The proposed revised wording to the Rules is included in the Appendix. In addition, a tracked changes version of the constitution and clean copy are included in the AGM pack.

A special resolution (meaning three quarters of the votes properly cast) is required to pass the changes and the Board has presented the changes as separate resolutions in the voting papers as each of the four areas relate to a different subject matter.

### **A. Proposed Changes to Board Members Terms of Office**

Two changes are proposed in relation to Board Members Terms of Office. These are

- 1. To introduce a maximum term of office of three terms, subject to a further year in exceptional circumstances.**

#### **Why is this change being proposed ?**

This change is being proposed to align SSNZ with good governance practices in relation to refreshment of the board over time.

- 2. To stipulate that incoming board members who are properly elected or appointed but who are replacing a previous board member who has left prior to the end of their term, are still appointed or elected for a full three year term commencing either at the AGM they are appointed /elected or the first AGM after their appointment/election.**

#### **Why is this change being proposed ?**

This change is being proposed because in circumstances where there is a vacancy due to a member resigning or being replaced prior to the end of their term, the current constitution stipulates that the Board Member appointed or elected to replace them, only replaces them for the balance of the original term. This can result in situations where a board member goes through the election or appointment process and then has to re apply or be re elected after only one or two years of service, as was the case this year.

### **B. Proposed changes for Removal of Board Members**

Two changes are proposed in relation to removal of Board Members. These are

- 1. To allow for the Board to remove a Board Member where they have breached their duties as set out in the Constitution.**

**Why is this change being proposed ?**

This change is being proposed as the current constitution has no provisions that allow the Board to remove a Board Member, unless a Board Member becomes ineligible as has deemed to have vacated their office under Rule 15.5. There may be situations that arise where a Board Member's behaviour is so disruptive it interferes with the smooth running of the organisation and the Board may wish to take the unusual step of removing that member. It is proposed that the decision must be unanimous (excluding the Board Member in question)

- 2. To clarify that cause for removal of a Board Member is a breach of duties under the constitution and to specify that the grounds for removal must be notified to the Board Member in question and in any notice of an SGM called for that purpose.**

**Why is this change being proposed ?**

This change is being proposed because the current constitution does not set out the grounds under which a Board Member can be removed from office.

**C. Proposed changes in Appointment Process for Board Members**

- 1. To allow for the Board Appointments Panel to automatically re appoint incumbent Board Members to Appointed Board Member positions (including appointing previously elected members to Appointed positions) at the expiry of their current term (subject to the maximum term requirements).**

**Why is this change being proposed ?**

Under the current constitution, calls for applications must be made on the expiry of Board Members' terms of office. This is the case irrespective of whether that Board Member is making a valuable contribution to the Board and has the necessary skills and qualifications to add ongoing value to SSNZ. In practice this can mean that an incumbent is often re appointed anyway but that valuable time is spent by the CEO, Board Members, the Board Appointments Panel and applicants in the application and interview process that could be better spent on the management and governance of the organisation. Note that this does not affect elected positions where applications for vacancies must always be called for.

- 2. Minor changes to application process and process for CEO to advise members of Board Appointment Panel recommendations and decisions (as per Appendix)**

**D. Clarifications of definitions and updates to legislative references that have no impact on SSNZs authority or powers or member benefits under the constitution (as per Appendix).**

## APPENDIX

### A) Proposed changes to text regarding Board Members terms of office

Clause	Original Text	Revised Text	Notes
15.6	<b>Term of Office:</b> The term of office for all Board Members shall be three (3) years, commencing at the conclusion of the General Meeting at which their appointment or election is made or effective, and expiring at the conclusion of the third AGM after their appointment or election. This Rule is subject to Rule 15.9 (Casual Vacancy), Rule 15.10 (Removal of Board Member), and the schedule of rotation under Rule 15.7	<b>Term of Office:</b> The term of office for all Board Members appointed or elected at an AGM shall be (3) years, commencing at the conclusion of the Annual General Meeting at which their appointment or election is made or effective, and expiring at the conclusion of the third AGM after their appointment or election. This Rule is subject to Rule 15.5 (Cessation of Office), Rule 15.7 (Maximum Term) and Rules 15.11, 15.12, 15.13 and 15.14 (Removal of Board Member). <i>Where a Board Member is appointed under Clause 15.9b (Vacancies) then that Board Member's Term of Office is determined to commence on the date of the first AGM that follows their Appointment under Rule 15.9b</i>	Substantive change to this clause is the addition of a final paragraph to clarify that if an appointment fills a casual vacancy between AGMs then that term commences at the first AGM following that appointment.  Other minor changes made to update references.
15.7	See below - old clause 15.7 is now clause 15.8	<b>Maximum Term of Office:</b> <i>No Board Member may hold office for more than three consecutive terms of office (being a total of nine years) unless there are exceptional circumstances which warrant that Board Member's appointment for a further period. For the purposes of this Rule, exceptional circumstances exist when all Board Members (but not including the Board Member being considered for re – appointment) unanimously agree that that Board Member should be considered for re- appointment or re-election, in which case:</i> <i>a) If that Board Member is an Appointed Board Member, the Board Appointments Panel will be notified and that Appointed Board Member may be appointed by the Board Appointments Panel for a further term of one (1) year, or</i> <i>b) If that Board Member is an Elected Board Member, that Elected Board Member will be eligible for re- election by the Members for a further term of one (1) year.</i>	New text proposed to introduce maximum term.

15.9 (was 15.8)	<p><b>Vacancies:</b> If a casual vacancy arises on the Board under Rule 15.9 (Casual Vacancy) it shall be filled in accordance with this Rule <i>for the balance of the term of office of the vacating Board Member</i> :</p> <p>a) If the AGM for the year in which the vacancy arises is scheduled for a date being less than six (6) months from the date the vacancy arose, the remaining Board Members may either appoint a person of their choice to fill the vacancy for that year, or leave the vacancy unfilled until the AGM for that year.</p>	<p><b>Vacancies:</b> If a casual vacancy arises on the Board under Rule 15.10 <b>Error! Reference source not found.</b> (Casual Vacancy) it shall be filled in accordance with this Rule :</p> <p>a) If the AGM for the year in which the vacancy arises is scheduled for a date being less than six (6) months from the date the vacancy arose, the remaining Board Members may either appoint a person of their choice to fill the vacancy until the AGM for that year, or leave the vacancy unfilled until the AGM for that year.</p> <p><b>Note – clause b is unchanged</b></p>	<p>Amendment removes the words “<i>for the balance of the term of office of the vacating Board Member</i>” to allow for the incoming Board Member to serve a full term.</p> <p>Also adds clarification that the appointment by the Board is only until the next AGM.</p>
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#### B) Proposed changes in relation to removal of a Board Member

Clause	Original Text	Revised Text	Notes
15.11 (was originally 15.10)	<p><b>Removal of Board Member:</b> The Members at an SGM called for this purpose may, by Special Resolution, remove any Board Member or the Board as a whole, before the expiration of their term of office. The following procedure shall apply:</p> <p>a) upon the Chief Executive receiving a request for a SGM to remove a Board Member, or the Board as a whole, the Chief Executive shall send</p>	<p><b>Removal of Board Member:</b> <i>Subject to Rule 15.12 where</i> the Members call for an SGM to remove any Board Member or the Board as a whole, before the expiration of their term of office an SGM will be called for this purpose and the Members, may, by Special Resolution remove any Board Member, or the Board as a whole, before the expiry of their current term of office.</p> <p>15.12 <i>A Board Member may only be removed by Members before the expiration of their term of office where the Board Member is in breach of the duties of Board Members in Rule 16.</i> Before voting to</p>	<p>Main change is to add the grounds under which a Board Member may be removed from office by Members and that the notice of the SGM must include details of those grounds.</p> <p>Other changes are minor and relate to flow and grammar of the rule.</p>

	<p>the notice of the SGM to the Board Member concerned or the Board (as the case may be), and the persons specified in Rule 22.9<b>Error! Reference source not found.</b> (Notice of SGM); and</p> <p>b) following notification under Rule 15.10a and before voting on the resolution to remove a Board Member, or the Board as a whole, the Board Member or the Board (as the case may be) affected by the proposed resolution to remove them shall be given the opportunity prior to and at the SGM to make submissions in writing to the persons entitled to be present at the General Meeting about the proposed resolution.</p>	<p>remove a Board Member the following procedure must be followed</p> <p>a) upon the Chief Executive receiving a request for a SGM to remove a Board Member, or the Board as a whole, the Chief Executive shall send the notice of the SGM to the Board Member(s) being considered for removal and the persons specified in Rule 22.9 (Notice of SGM); and</p> <p>b) <i>the notice of the SGM will include the details of the grounds for removing that Board Member(s) from office</i>; and</p> <p>c) the Board Member(s) being considered for removal shall be given the opportunity prior to and at the SGM to make submissions in writing to the persons entitled to be present at the General Meeting about the proposed resolution <i>to remove them from office</i>.</p>	
15.13 and 15.14	No previously equivalent clauses	<p><i>15.13 Subject to Rule 15.14, the Board may, when all Board Members (but not including the Board Member being considered for removal) unanimously agree that that Board Member should be removed, remove any Board Member from office, before the expiration of their current term of office.</i></p> <p><i>15.14 A Board Member may only be removed by the Board under Clause 15.13 before the expiration of their term of office where the Board Member is in breach of the duties of Board Members in Rule 15.16<b>Error! Reference source not found.</b> Before voting to remove a Board Member the following procedure must be followed:</i></p>	New section added to provide powers to the Board to remove a Board Member where they are in breach of their duties under the constitution as long as there is unanimous approval.

		<p>a) <i>the Board Member(s) being considered for removal shall be notified that a meeting of the Board is to be held to discuss the proposed resolution to remove them from office;</i></p> <p>b) <i>the notice will include the details of the grounds for removing that Board Member from office; and</i></p> <p>c) <i>the Board Member(s) being considered for removal shall be given an opportunity to make submissions to the Board in writing prior to the meeting and/or (at the Board Member's election) by submissions in person at the meeting about the proposed resolution to remove them from office.</i></p>	
15.15 (was originally 15.11)	<p><b>Suspension of Board Member:</b> If any Board Member is alleged to have, or is charged with, or is given notice by the relevant authority of a proposal to make an order or finding against that Board Member of any of the circumstances described in Rule 15.4 <b>Error! Reference source not found.</b> (Ineligibility), the remaining Board Members may, after reasonable enquiry and giving the Board Member concerned the right to be heard, suspend the Board Member from the Board pending the determination of such allegation notice, or charge.</p>	<p>15.15 <b>Suspension of Board Member:</b> If any Board Member is alleged to have, or is charged with, or is given notice by the relevant authority of a proposal to make an order or finding against that Board Member of any of the circumstances described in Rule 15.4 (Ineligibility), <i>or is alleged to have breached the duties of Board Members under Rule 16</i> the Board may:</p> <p>a) where agreed unanimously by the Board (excluding the Board Member to whom the allegation applies); and after reasonable enquiry; and giving the Board Member concerned the right to be heard,</p> <p>b) suspend the Board Member from the Board pending the determination of such allegation notice, or charge.</p>	<p>Addition of para b to include suspension related to allegations around breaches of duties. Also clarification that the decision to suspend must be unanimous amongst the remaining Board Members</p>

**C) Proposed changes in relation to Board Appointment process (not to advertise to reappoint incumbents to Appointed positions)**

Rule	Original Text	Revised Text	Notes
19.1	<p><b>Appointment &amp; Election of Board Members:</b> The Board election process is;</p>	<p><b>Appointment &amp; Election of Board Members:</b> The Board election process is;</p>	<p>Main change is the addition of clause b to specify that calls need not be made for applications if the Board Appointments Panel.</p>

	<p>a) The Board Appointments Panel shall call for applications for all Board Member positions that are to be vacated due to the expiry of their term of office at an AGM at least sixty (60) days prior to the AGM, or that have arisen as a result of a casual vacancy arising under Rule 15.9<b>Error! Reference source not found.</b> (Casual Vacancy). If the casual vacancy is in the position of an Elected Board Member and arises under Rule 15.8b.ii (vacancy for longer than 6 months) the call for applications shall be made at least thirty (30) days prior to the SGM. If the casual vacancy is in the position of an Appointed Board Member and arises under Rule 15.8b.i<b>Error! Reference source not found.</b> (vacancy for longer than 6 months) the call for applications shall be at least thirty (30) days prior to the date on which the Board Appointments Panel makes its appointment (which appointment shall take effect immediately).</p>	<p>a) <i>Subject to Rule 19.1b</i> the Board Appointments Panel shall call for applications for all Board Member positions that are to be vacated due to the expiry of their term of office at an AGM at least sixty (60) days prior to the AGM. For vacancies that arise as a result of a casual vacancy for an Elected Member under Rule <b>Error! Reference source not found.</b>b ii (vacancy for longer than 6 months) the call for applications shall be made at least thirty (30) days prior to the SGM. If the casual vacancy is in the position of an Appointed Board Member and arises under Rule 15.9b i (vacancy for longer than 6 months) the call for applications shall be at least thirty (30) days prior to the date on which the Board Appointments Panel makes its appointment (which appointment shall take effect immediately).</p> <p>b) <i>If all Board Members agree (excluding the Board member whose term is expiring), where a Board Member whose term is expiring and who was previously either appointed by the Board Appointments Panel as an Appointed Member or Elected by the Members as an Elected Board Member (Continuing Board Member) and has not, or will not, on reappointment exceed the maximum term of office requirements under Rule 15.7, the Board may request and the Board Appointments Panel may agree to appoint that Continuing Member as an Appointed Board Member for the next term of office with no requirement to call for applications for that Appointed Board Members position.</i></p> <p><i>For the avoidance of doubt, this Rule 19.1b does not apply to Board Members appointed by the Board to fill a casual vacancy under Rule 15.9a</i></p>	
<b>19.1c (was</b>	Applications for Board Member positions shall be made by applicants in	Applications for Board Member positions shall be received at the registered office of Snow Sports NZ not less than thirty (30) days	Removal of outdated reference to Regulations.

<b>previously 19.1b)</b>	the approved form set out in the Regulations (indicating whether they seek to be an Appointed Board Member or an Elected Board Member or either) and received at the registered office of Snow Sports NZ not less than thirty (30) days before the date set for the AGM or not less than twenty-one (21) days before the date set for the SGM.	before the date set for the AGM or not less than twenty-one (21) days before the date set for the SGM and applicants must indicate whether they seek to be an Appointed Board Member or an Elected Board Member, or either.	
<b>19.1f (was 19.1e)</b>	Upon receipt of the notification from the Board Appointments Panel in Rule 0e the Chief Executive shall, as soon as practicable, notify the Members of the decision of the Board Appointments Panel's regarding any Appointed Board Members it has appointed together with any recommendations of applicants it considers would best suit the vacant positions of Elected Board Members at the General Meeting	Upon receipt of the notification from the Board Appointments Panel in Rule 0e the Chief Executive shall, notify the Members of the decision of the Board Appointments Panel's regarding any Appointed Board Members it has appointed together with any recommendations of applicants it considers would best suit the vacant positions of Elected Board Members, as part of the AGM Agenda provided in accordance with Rule 22.7 (AGM Agenda).	Aligning to current practice where Members are generally notified of the Board Appointments Panel recommendations and appointments via the AGM Agenda.
<b>New clause 15.8 (was 15.7)</b>	<b>Schedule of Rotation:</b> Prior to each AGM, the Board shall advise the Chief Executive (who will in turn advise the Members) <i>of the schedule of rotation</i> and the vacancies arising in Board Member positions at the AGM.	<b>Advice of Vacancies</b> Prior to each AGM, the Board shall advise the Chief Executive (who will in turn advise the Members) of the vacancies arising in Board Member positions at the AGM <i>in accordance with Rule 22.4 (Notice of AGM)</i> .	Have removed requirement to advise members of the Schedule of Rotation. Communication to Members of Vacancies is considered sufficient. Future practice will be to include the schedule of rotation in the Annual Report.  Clarification also added in respect of how the notification will be made



## D) Procedural Amendments

The purpose of these amendments is to tidy up definitions and update legislative references. These changes have no impact on constitutional processes or member rights in relation to SSNZ.

Clause	Original Text	New or revised text
2.1	No definition included	<b>New text added</b>  “ <b>Appointed Board members</b> ” has the meaning given to it in Rule 15.2a
2.1	Elected Board Member means a person elected as a Board Member under Rule 19	“ <b>Elected Board Member</b> ” has the meaning given to it in Rule 15.2b
15.2	Membership of the Board: The Board shall comprise of:  a) three (3) members appointed in accordance with Rule 19 (Appointment and Election of Board Members); and b) four (4) members in accordance with Rule <b>Error! Reference source not found.</b> (Appointment and Election of Board Members) or in the case of a casual vacancy (Rule 15.9) at an SGM.	a) three (3) members (each an Appointed Board Member) appointed by the Board Appointments Panel in accordance with Rule 19 (Appointment and Election of Board Members); and b) four (4) members (each an Elected Board Member ) elected by Members by Ordinary Resolution in accordance with Rule 19 (Appointment and Election of Board Members).
15.4b	<b>Bankrupt:</b> a person who is an undischarged bankrupt or 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	<b>Bankrupt:</b> a person who is an undischarged bankrupt or is subject to a condition not yet fulfilled or any order under the Insolvency Act <b>2006</b> , or any equivalent provisions under any previous or replacement legislation.
15.5 and 15.10 18.6 22.4		Renumbering and referencing changes as a consequence of proposed amendments

