

Remit to 2017 AGM Amendments to Constitution and Rules

Notice is given of the following motion to amend the Constitution and Rules of RiskNZ Inc.

Explanation: [Note: This explanation does not form part of the motion to amend the Constitution

The Constitution and Rules of RiskNZ Inc (hereafter, 'the Society') were extensively amended in 2012 and in 2014. Unfortunately, the drafting of those amendments has reduced clarity and given rise to unintended consequences, in particular -

- a. There are several technical and grammatical defects in the wording of some Clauses, some of which also have implications for the interpretation of other Clauses.*
- b. In the course of giving voting rights to Corporate members, the rights of such members have been diluted.*
- c. There is insufficient clarity as to how Corporate Members are to specify who is to vote with the present wording opening the possibility for participating in block voting by this class of member.*
- d. The change of the name of the committee that administers the Society from the previous 'Management Committee' to 'Management Board' (which is commonly but incorrectly contracted to 'the Board') has led to misunderstandings as to the nature of this entity. It is the norm for incorporated societies in New Zealand and elsewhere to reflect the expression used in the Incorporated Societies Act 1908 which is 'managing committee'. This also reflects that the reason such entities are described as "Incorporated" is that by nature, they are an incorporation of members.*
- e. The drafting of several of the clauses that have been amended since the Society was formed is unnecessarily complex with unclear distinctions between the scope of related clauses. The order of the clauses concerned with the administration of the Society is not logical.*
- f. Where appropriate, additional explanations are provided in italics after each amendment.*

One difficulty in preparing these amendments is the uncertainty that exists concerning the validity of the version of the 2014 Constitution that was published following the AGM and lodged with the Registrar of Incorporated Societies. Advice is awaited from the Society's Honorary Solicitor as to whether amendments recorded as having been passed at the 2014 AGM were in fact valid.

Accordingly, the remit has been worded to take account of the possibility that the 2014 version of the Constitution was not valid. This is done by treating the clauses of the document said to be the 2014 Constitution as a base document and through a combination of citing some clauses in that document without change and altering other clauses, the remit if passed would simply create a new constitution to replace whatever document is in fact the current constitution.]

REMIT

Moved by Roger Estall and seconded by David Dunsheath

That henceforth, the Constitution and Rules of the RiskNZ Incorporated comprise the following clauses, with clauses and cross references within clauses numbered accordingly:

- 1** Clauses 1, 10, 11, 12, 14, 17, 18 and 19 of the document published on the website of the Society on 17 May 2017 purporting to be the "Constitution and Rules as amended and approved by the Annual General Meeting on 19 May 2014" ("the 2014 document"), renumbered to the extent necessary as a result of changes to other clauses. These clauses

shall remain unchanged, subject to re-numbering and any other consequential changes arising from the other clauses of this resolution.

2 Clause 2.2 Amend to read

2.2 “Corporate member” means an organisation that has been granted membership of the Society.

[Explanation: The present definition refers to Corporate Members plural whereas the expression used elsewhere in the Constitution and which is being defined, is singular. No further definition is required if there is also reference to Corporate members in the plural. The present wording also wrongly uses the personal pronoun ‘who’.]

3 Clause 2.3 Delete.

[Explanation: The Society is an incorporated society by virtue of the Incorporated Societies Act which defines the term Incorporated Society – a definition that is well understood in New Zealand and which is not consistent with this clause. There is no need to define words that have legal or ordinary meanings. However, it is helpful to have a generic expression by which to refer to the society without constantly repeating the name and since RiskNZ Incorporated is an incorporated society, the expression The Society – see proposed Amendment 6 below - is the natural expression.]

4 Clause 2.4 Amend to read

2.4 “Individual member” means a natural person who has been granted membership of the Society.

[Explanation: The present definition refers to Individual Members plural whereas the expression used elsewhere that is being defined mainly relates to an individual person (singular). Where more than one Individual is being referred to collectively, no further definition is needed for the plural form.]

5 New Add a new sequentially numbered definition to Clause 2 as follows:

“Purpose” means the purpose of the Society as set out in Clause 3.

[Explanation: It is desirable to be able to use this expression elsewhere in the Constitution and to carry the same meaning as in Clause 3.]

6 New Add a new sequentially numbered definition to Clause 2 as follows:

“the Society” means RiskNZ Incorporated.

[Explanation: This expression facilitates drafting in other Clauses.]

7 Clause 2.6 Amend to read

“Risk management” has the same meaning as that set out in the standard AS/NZS ISO 31000:2009 published by Standards New Zealand unless a different meaning is approved by a two-thirds majority of those present and voting at an AGM on the recommendation of the Society’s Professional Standards Committee.

[Explanation: AS/NZS ISO 31000:2009 is currently being amended and it seems likely that the revised ISO standard (on which the present joint Australian/New Zealand standard is based) will not reflect present leading practice in New Zealand. Furthermore, the accepted practices of risk management are evolving rapidly and as an organisation established to improve

knowledge and practice, RiskNZ should not be constrained by concepts that are no longer valid. At the same time, any change should as far as practicable, reflect the collective wisdom of members. The wording anticipates that the Society will establish and keep established a Professional Standards Committee.]

8 Clause 2A Delete.

[Explanation: Given that the Constitution – in the very next paragraph – sets out clearly the Society’s purpose, it is confusing to also have a “vision” particularly because it narrows the focus of the purpose and what is required in order to achieve the purpose.

It is also poorly drafted with the meaning of ‘contemporary best practice’ being unclear as to the practices referred to, and because it implies by ‘measuring’ improvement in ‘the practice of management of risk’, risk management is something that organisations might or might not do. Furthermore, reference to ‘environmental quality’ and ‘economic value’ are unclear as to meaning and questionable as being distinctive to ‘quality of life’.]

9 Clause 3.1 Amend by replacing “will be” with “is”.

[Explanation: The issue covered by this clause is the purpose of the Society in the present rather than in the future]

10 Clause 4 and 4.1 Amend to read as follows:

4 Functions

4.1 In pursuit of its Purpose, the Society shall operate in an efficient way and, without limiting activities that will make a worthwhile contribution to achieving the Purpose, seek to do each of the following:

- (a) increase awareness of the benefits to New Zealand, New Zealanders and New Zealand organisations of managing risk effectively;
- (b) promote and monitor the use of effective risk management in all forms of decision-making;
- (b) encourage and facilitate the development and promulgation of knowledge to make risk management more effective;
- (c) encourage and facilitate the exchange of knowledge about risk management both nationally and internationally;
- (d) encourage central and local government to apply effective risk management in development of policy, legislation and delivery of services;
- (e) encourage Directors of public companies and those responsible for the governance of other types of organisation to exercise effective risk management;
- (f) encourage and facilitate the availability in New Zealand of formal education about effective risk management based on the best of current practice;
- (g) encourage organisations that offer conferences and other training in relation to risk management to ensure that the advice provided reflects best practice;
- (h) recognise excellence in knowledge and practice of risk management;
- (i) contribute where practical to public discussion on matters involving the consideration of how risk is being managed to encourage the adoption of contemporary best practice;
- (j) encourage participation in and membership of the Society; and
- (k) measure progress in New Zealand in relation to risk management performance across a representative sample of sectors.

[Explanation: The heading of the existing Clause (“Objectives”), in the context of the heading and content of Clause 3, causes confusion as to the intended distinction between ‘purpose’ and ‘objectives’ (of which there is very little).

The expression ‘Objectives’ also misrepresents the purpose of listing the types of activity that should be undertaken by the Society in the Constitution. The list is intended in effect, to set out those things that need to be done to achieve the Purpose. The more appropriate heading is therefore ‘Functions’.

The present sub-clauses are not well worded. Some sub clauses are unclear as to what is meant – for example, existing sub-clause (a) seems not to recognise that the ‘principles, theory and practice’ of risk management transcends an infinite range of highly variable practice and quality.

The present range of functions/”objectives” is too narrow and gives no consideration to several activities that could make a profound contribution to the Purpose.

The executive verbs in the sub clauses give little guidance as to the functions to be performed. It is not necessary to commence each function with the word “to”.]

11 Clause 5 MEMBERSHIP

Amend this clause to read as follows:

5.1 The membership of the Society shall comprise natural persons who belong as Individual Members and organisations that belong as Corporate Members.

5.2 Corporate members shall have the right to provide to the Society, a list of the names of their personnel (“listed representatives”) together with contact details, up to the limit specified by the Society, who the Corporate member wishes to enjoy the same benefits of an Individual Member of the Society other than having the right to vote. The Corporate member shall be wholly responsible for ensuring this list is current.

5.3 Corporate members wishing to exercise their right to vote, shall do so by nominating one of their listed members as their “voting representative” in writing to the Secretary.

5.4 In applying to become a Corporate member, the organisation concerned shall identify the person who is authorised on their behalf to exercise its rights under Clause 5.2 and 5.3. The Management Committee shall specify the procedure to be followed in each case when those rights are exercised. The procedures in respect of 5.3 shall be such that at any meeting in which a vote is to be taken, the chair of that meeting can readily identify who is the voting representative for each Corporate member in attendance. The same shall apply in the case of the Returning Officer for any other ballot conducted by the Society.

5.5 Any individual or organisation may apply for membership which the Management Board may grant upon being satisfied that the applicant is of good character and has declared an interest in the improvement of knowledge and practice of risk management.

5.6 The Management Board may also appoint an Individual Member to be a Life Member in order to honour outstanding contribution to the Society. A Life Member retains the rights of an Individual Member.

5.7 To retain membership, a member shall pay the subscription set at the Annual General Meeting of the Society.

5.8 Membership may be terminated in the circumstances specified in Clause 6 and subject to the procedural requirements of that clause having been met.

[Explanation: This both simplifies and clarifies the membership criteria. The establishment of student and retired categories is unnecessary because the only differentiation of such members is that they are charged a different subscription. Otherwise they enjoy the same

rights as does an Individual Member. It is much easier to simply provide for a different subscription in the clause that deals with subscriptions. Removal of these classes of membership (which as a matter of fact relate to 'individuals') removes the confusion created by the use of the word 'Individual' in a way that its meaning is counterintuitive. The amendment means that anyone who is a member in their own right, is an Individual Member. A Life Member is just a special category of Individual Member.]

12 Clause 6 TERMINATION OF MEMBERSHIP

Amend Clause 6 to read as follows:

- 6.1 Any member may resign by giving notice in writing to the Secretary.
- 6.2 If a member has not paid the subscription within six months of an invoice for the amount due having been sent, the Management Board may deem the member to have resigned subject to the member having been given one month's notice of the intention to do so by email to the address provided by the member.
- 6.3 If the Management Board is of the opinion that a member has failed to meet any other condition of membership to the detriment of the Society or has ceased to be of good character, it may provide the member with the details of the alleged failure and any related evidence in writing, and invite the member to either resign or provide an explanation or rebuttal within one month.
- 6.4 If after considering such response and making any further enquiries as may be appropriate, the Management Board remains of the view that membership should be terminated, it shall make a recommendation to do so to the next General Meeting together with the details that it considered including any response from the member. A copy of the recommendation shall be sent to the member at the email address provided by the member.
- 6.5 On receipt of a recommendation from the Management Board, the General Meeting may terminate the membership if two thirds of those present and voting so decide. The Member concerned shall have a right to address the General Meeting before the vote takes place.

[Explanation: The amendment simplifies the wording, takes account of the revision of Clause 5, separates out provisions in relation to members that do not pay their subscription from those that allow for termination on other grounds which involves additional steps, and ensures that the latter process includes the usual obligations of natural justice including the right to be provided with the evidence on which the decision is to be made and the right to address the final arbiter (i.e. the GM). It clarifies the grounds for termination by removing the "interests of the incorporated society" as a ground because this is arbitrary and nebulous but (reinserts) ceasing to be of good character which is a specified criteria for membership.]

13 Clause 7 MANAGEMENT

Amend Clause 7 to read as follows:

- 7.1 There shall be a Management Committee established in accordance with Clause 8 which shall manage the Society in accordance with the Constitution and Rules, legal obligations, the Annual Business Plan and budget as approved by the Annual General Meeting, and other decisions and directions of General Meetings of members. It shall meet at least annually and may conduct its business by conference call.
- 7.2 Subject to the requirement of Clause 7.1, the Management Committee shall adopt and thereafter comply with rules and procedures for its own conduct and may also prescribe

other rules for the internal regulation of the Society including prescribing model rules for adoption by Special Interest Groups.

7.3 Rules and procedures adopted by the Management Committee shall be published in a manner readily accessible to members. Subject to the redaction of any details that are either commercially confidential or relate to confidential personal information, all resolutions of the Management Committee shall be published in the same manner, within one month of being adopted.

7.4 The Management Committee shall develop a draft Annual Business Plan and related budget and, together with a report on the activities of the Society for the year past (the 'Annual Report') and the audited financial statements, submit this to the Annual General Meeting for consideration and, as appropriate, approval or amendment. The Annual Report shall report on progress against the approved business plan for that year and identify any issues of a strategic nature that have emerged during the year.

7.5 In addition to any powers and responsibilities stated elsewhere, the Management Committee shall have the authority to do the following in fulfillment of the approved annual business plan and budget:

- a) operate a website for the purposes of, *inter alia*, providing information accessible to the public about the activities of the Society and risk management practice generally, and providing for members, a searchable data base of technical presentations made to seminars and conferences conducted by the Society, resolutions of the Management Committee, the Constitution and Rules, and the Notices of Meeting and minutes of Annual General Meetings;
- b) encourage and facilitate the exchange of views between members in relation to effective management or risk;
- c) operate bank accounts on behalf of the Society and appoint account signatories, subject to all payments and other withdrawals being made in accordance with a written procedure approved by the committee and documented on the Society's website;
- d) employ or otherwise engage staff;
- e) enter into contracts for the supply of goods and services necessary for the activities of the Society;
- f) enter into sponsorship agreements subject to these being consistent with the Purpose and reputation of the Society and being in the interests of members;
- g) incur and reimburse authorised expenditure;
- h) make grants for the furtherance of the Purpose of the Society;
- i) conduct seminars, conferences or other forms of professional exchange and training for members;
- j) conduct and report on surveys of members and others in relation to views on matters related to effective risk management and the activities of the Society and otherwise consult members in order to obtain views and expertise that could provide an input to decision-making;
- k) offer expert opinion to the media or other fora in relation to effective risk management;
- l) make expert submissions to official organisations where this could assist in advancing the Purpose of the Society;
- m) make arrangements with other organisations with related purposes to facilitate sharing of information; and
- n) make annual awards for excellent performance in the field of risk management.

7.6 Except with the express approval of a General Meeting, the Management Committee shall not raise loans or enter into any financial obligation which cannot be met within the approved annual business plan and budget or cannot be otherwise fulfilled.

[Explanation: The amendment replaces the expression Management Board with the expression Management Committee to better reflect the nature of the entity and to avoid the common practice of the expression 'Management Board' being contracted to 'the Board' which apart from being incorrect, misrepresents the nature of its role and responsibilities. The expression 'Board' is normally associated with either companies or statutory entities. The role of a Board in a company is quite different to that of the committee that manages the affairs of the Society. In a company, there are shareholders, directors and managers. In RiskNZ, there are only the members and the committee that conducts the business of the Society. The strategic direction is set by members, not by the committee. The other purpose of the amendments is to more fully explain and constrain the role of the committee and create an express obligation to restore previous transparency in relation to the decisions of the committee.]

The amendment also consolidates in one clause all matters in the present Constitution (including those in Clause 15 which is subsequently deleted by section 17 of this remit) that relate to the powers and obligations of the Management Committee and adds further items to reflect other types of activity either being currently undertaken or which has the potential to contribute to the Purpose of the Society.]

14 Clause 8 COMPOSITION AND ELECTION

Amend Clause 8 to read as follows and insert new clause 8A as follows

8 Composition of the Management Committee

8.1 The members of the Management Committee shall be:

- a) the Chair and Secretary of the Society,
- b) seven elected "Other Members",
- c) up to two "Co-opted Members" appointed by the Management Committee,
- d) the Treasurer if not otherwise a member of the Management Committee

8.2 Other Members and Co-opted Members shall be natural persons who are either Individual Members of the Society or at the time of joining the Management Committee, were nominated for this purpose by a Corporate Member.

8.3 The term of office for the Chair, Secretary and Other Members shall be two years. No person in these roles may serve more than three consecutive terms.

Whether by natural process or by draw, the terms of Other Members shall be staggered so that in any one year, the terms of at least three Other Members shall not expire in order to ensure continuity.

No person may serve more than two years as a co-opted member.

[Explanation: These changes simplify these provisions without making substantive change but clearly separate the issue of membership from the process of election/co-option which allows further clarity and separation. It removes an unnecessary, confusing and ultimately meaningless obligation of a member who has been nominated by a corporate member to 'act

as if they were an Individual Member’. The specific reference to the particular Officers who are to be members of the Management Committee by title rather than collectively reflects other amendments which create other Officers.]

8A Elections and co-option

8A.1 The Management Committee shall establish and publish a fair procedure for the conduct of a secret ballot for election of the Chair, Secretary and Other Members of the Management Committee.

The procedure shall provide for candidates to submit details of their qualifications, expertise and experience in managing risk and describe any previous experience in management, project management, governance or administrative roles. This information shall be made available to all members.

8A.2 The conduct of the election and the counting of the votes cast shall be carried out under the supervision and direction of a Returning Officer who shall either be the Honorary Solicitor of the Society or a person appointed for that purpose by Members at either a General Meeting or by on-line ballot. The Returning Officer shall make all determinations in relation to the validity of votes cast or related matters and shall report the outcome of the election to the Secretary.

8A.3 Elections may be conducted using an on-line ballot subject to the Returning Officer being satisfied regarding the privacy of votes cast and the integrity of the electronic system. The Returning Officer shall be responsible for disposal of voting papers where used.

8A.4 The Chair will determine whether to conduct a by-election to fill any casual vacancy after having regard to the length of the period before the next election and the current work of the Management Committee. If the number of Co-opted Members on the Management Committee at the time permits, the Chair may recommend to the Management Committee that it fill any casual vacancy by co-option of another member.

8A.5 Following each election the Management Committee shall consider the interests and expertise of membership and if considered necessary to enable the committee to fulfil its responsibilities, appoint one or two Co-opted Members for a term of not more than two years.

[Explanation: Apart from putting all requirements regarding election and co-option in the one place, the amendment also requires candidates to cite any previous management or administrative experience as both are of importance to the successful functioning of the Management Committee. It also expressly allows a casual vacancy to be filled by co-option in some cases. Otherwise the existing practices continue.]

15 Clause 9 Officers

Amend the whole of Clause 9 to read as follows and reposition and renumber this clause to precede Clause 7. Renumber other clauses accordingly.

9.1 The Officers of the Society shall be:

- a) The Chair, elected by Members;
- b) The Secretary, elected by Members;

- c) The Deputy Chair appointed by the Management Committee from amongst the Other Members of the Management Committee;
- d) The Treasurer, appointed by the Management Committee from either among its members or elsewhere.
- e) The Honorary Solicitor appointed from time to time by resolution of a General Meeting.

9.2 A person appointed as Honorary Solicitor shall be a Barrister and Solicitor of the High Court of New Zealand with at least seven years of related experience.

9.3 Even though an Officer may be a member of the Management Committee, the primary responsibility of the Officer, as for all Officers, is to the Society as a whole and to its members.

The Chair shall have the primary responsibility for encouraging and monitoring good governance throughout the workings of the Society.

[Explanation: The revised clause specifies and consolidates the list of Officers of the Society in a more succinct manner but goes on to explain the special role of an Officer. Related to this consideration, the amendment also establishes the position of the Honorary Solicitor as an Officer of the Society. Matters in the existing clause relating to election and terms of Officers are now covered by section 14 of this remit.]

16 Clause 13 General Meeting of the Incorporated Society

Amend Clause 13 as follows:

(i) Amend the heading to pluralise the word 'Meeting'

(ii) Delete Clause 13.1 and 13.2 and replace with the following:

13.1 An Annual General Meeting (AGM) of members shall be held each year within 90 days of the close of the financial year of the Society (31 March).

The AGM shall take place via simultaneous meetings held at venues in several locations throughout New Zealand according to expressions of interest for attendance from Members.

The meetings shall be linked electronically so that the proceedings can be both heard at all locations and that attendees at all locations can participate in discussions. Webex or a similar platform shall be used so that documents can be simultaneously displayed at, and from, all locations.

13.2 Individual Members and the listed representatives of a Corporate Member are entitled to attend and participate in AGMs. Only Individual Members and the voting representative of Corporate Members are entitled to vote.

(iii) Amend clause 13.3(d) by adding the words "and any remits submitted by Members"

(iv) Amend clause 13.3(f) to read

(f) Appointment of an Auditor and a Returning Officer and, if the position is vacant, an Honorary Solicitor

(v) Replace clauses 13.4 to 13.8 with the following and renumber accordingly:

13.5 A Special General Meeting may be called for a specified purpose by the Management Committee or at the request of at least 25 members who may be either Individual or Corporate Members.

13.6 The conduct of a Special General Meeting shall conform to the same requirements in clause 13.1 relating to meeting logistics except that the provision of Webex or similar technology shall only be required where the subject matter of the meeting requires.

13.7 Only those in attendance at a General meeting and entitled to do so may vote. No person shall exercise more than one vote.

13.8 The Management Committee shall develop, for the approval of a General Meeting, one or more standard procedures for the conduct of voting at General Meetings. Each such procedure shall ensure that the right of any person wishing to vote can be established, that vote counting is correct and the results are recorded, reported to the chair of the meeting, declared to all in attendance and reported in the minutes. Pending the adoption of such procedures, voting shall be either by show of hands or by a secret ballot as determined by the meeting.

Voting shall not take place until there has been an opportunity for those present to discuss the matter under consideration and to seek to amend the proposal.

13.9 At least 30 days' notice shall be given of an Annual General Meeting and at least 15 days' notice shall be given of a Special General Meeting, which shall state the specific business of the meeting.

13.10 Reports, remits and other information relevant to the business of any General Meeting shall be provided to Members not later than 10 days before the date of the meeting for which Notice has been given. This requirement shall not preclude the right of any Member to subsequently seek to amend a resolution for which notice has been given.

[Explanation: These amendments consolidate the present provisions concerning general meetings and specify requirements concerning the logistics and conduct of meetings. The wording specifies the number of members required to trigger an SGM rather than using a percentage which, given the fluidity of membership numbers and the fact that the current numbers are not easily ascertained by members, is not practical. The changes also make provision for the Management Committee to develop and recommend standard models of voting which allows the application of technology changes but in an orderly manner.]

17 Clause 15 Powers of the Management Board

Delete this clause.

[Explanation: These provisions have been incorporated elsewhere.]

18 Clause 16 FINANCE

Amend 16.1 by adding the following paragraphs

The Society shall set different rates for Individual Members who are Students undertaking at least 20 hours of study and for Retired or Part-time persons who work less than 20 hours per week.

No subscription is payable by Life Members.

[Explanation: These changes are necessary as a result of discontinuing the Student and Retired/Part time class of Individual Member – the only effect of which was to enable a different subscription to be struck].

19

Other

Amend the expression 'Management Board' to read 'Management Committee' wherever it appears in the document.

[Explanation: Consequential on the changes made in Section 13 of this remit.]