



RiskNZ Constitution Update

If you have any questions about the draft constitution please contact the RiskNZ Chair (regan@risknz.org.nz) or Secretary (lisa@risknz.org.nz).



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Introduction

To ensure compliance with the new Incorporated Societies Act 2022 an updated constitution is needed that aligns with the updated Act. To ensure the foundation document for the Society is legally sound the Board hired Dentons Legal to draft a new constitution based on the new Act. The Board has subsequently customised this draft to reflect the needs of RiskNZ. The Board would like to say a bit thank you to Maria Pozza and Bridget McCormac for their support in undertaking this work.

Highlights for Members

The full constitution has been provided for you to review. While this has been drafted using plain language, the Board has summarised some key points to help understand what has changed and what remains the same between the existing constitution and the new draft constitution.

If you have any questions about the draft constitution please contact the RiskNZ Chair (regan@risknz.org.nz) or Secretary (lisa@risknz.org.nz).

The key differences between the existing and the new draft Constitution the Board would like to draw to your attention are:

- 1) Purpose of the Society: Overall the purpose of the Society remains to promote the principles, theory and practice of risk management. The section has been extended by including 2 new purposes, the first relating to promotion of education of risk management, and the second is for the Society to provide networking opportunities.
- 2) Membership Classes: No change.
- 3) Acceptance or Refusal of Members: This provision has been changed to allow the Board to delegate the decision to accept or refuse members to a subcommittee (Group of Officers) or to an individual Officer. This is to streamline the application process so members can be inducted faster. Note: Application requirements remain the same.
- 4) Member obligations and entitlement to Society assets are unchanged. New clauses have been added that clarify members have no liability for Society debt except their own individual outstanding fees.
- 5) Subscription fees: No change to the setting of membership fees has been changed. Both constitutions make the Board responsible for setting the fees. There is a change in the new constitution, which is to reduce the period after which fees are considered overdue from 3 months to 30 days. The new constitution also introduces the option for the Board to set penalties for late payments.
- 6) The new constitution introduces specific provision for virtual meetings to reflect contemporary online meeting practices.
- 7) The new constitution introduces a new provision relating to appointment of an Investment Manager. It is not the Board's intention to appoint such a manager, however, this provision was included in the initial draft provided by Dentons, and has been retained to provide flexibility for future Boards.
- 8) The provisions for the size of the Board, the term served, and the appointment of officers remain the same as the current constitution. The new constitution does introduce a provision for members to appoint an Independent Board member by special resolution that requires 75% of the members present at the meeting to endorse the appointment. This is a change from the current constitution that allows the Board to second members to the board.

- 9) The voluntary status and integrity required of Board members is unchanged. The new constitution does clarify that Board members are entitled to receive reimbursement for expenses relating to undertaking of society activities.
- 10) The new constitution provides more flexibility in setting the date for the Society AGM. This is desirable as it is often difficult to complete the AGM by 31 July as specified in the current constitution due to audit requirements.
- 11) A Special General Meeting can be called by members and requires 50% of members to sign a written request. The new constitution increases the threshold for the percentage of members required to call for a Special General Meeting by 15%.
- 12) Quorum for General Meetings has been lifted from 15 members to 20 members reflecting the increased membership of the society.
- 13) Voting rights of members remains the same at 1 vote per member (being an individual or corporate member).
- 14) Requirements to amend the constitution remain the same, which is a 75% majority vote by all members present at a General Meeting.

The following table compares the clauses from the current constitution and the proposed new constitution.

Current Constitution Clause	New Constitution Clause
<p>Society Purposes and Powers</p> <p>1.3 The primary purposes of the <i>Society</i> are to:</p> <ul style="list-style-type: none"> a) Promote the principles, theory and practice of <i>risk management</i> in New Zealand, b) Promote research and the development of knowledge about the management of risk in New Zealand, c) Expand communication about the management of risk and associated practices between organisations and individuals involved in the management of risk, both within New Zealand and in the international <i>risk management</i> community, and d) Increase interest in membership of the <i>Society</i>. 	<p>1. Purposes</p> <p>The Purposes of the Society shall be to:</p> <ul style="list-style-type: none"> a. promote the principles, theory and best practice of risk management in New Zealand and internationally, to assist organisations and professionals to deliver their strategic goals; b. promote research and the development of knowledge about the management of risk in New Zealand; c. promote the education of risk management and associated practices within New Zealand and in the international risk management community; d. increase interest in membership of the Society; e. provide opportunities for risk professionals to engage, connect, and network with other risk professionals; and f. carry on any other activity which is consistent with or incidental to the above Purposes and which is in the interests of the Society as the Board may determine from time to time.
<p>2.0 MEMBERSHIP</p> <p>Membership</p> <p>2.2 The classes of membership and the method by which <i>Members</i> are admitted to different classes of membership are as follows:</p> <p>(a) Corporate Member A <i>Corporate Member</i> is a body corporate or partnership admitted to membership under Rule 2.3 and which has not ceased to be a <i>Member</i> under any other Rule.</p> <p>(b) Individual Member An <i>Individual Member</i> is a person admitted to membership under Rule 2.3, and also includes:</p> <p>(i) A Student Member, being a person enrolled at any university, college or other</p>	<p>6. Membership</p> <p>6.1 Membership Classes</p> <p>The current classes of Members of the Society are:</p> <ul style="list-style-type: none"> a. Corporate Members; means a body corporate or incorporated partnership that that is a Member of the Society b. Fellow Members; means a person who is a Fellow Member on the terms as determined by the Board from time to time. c. Life Members; means a person honoured for highly valued services to the Society elected as a Member for life by the Board.

<p>teaching institution in a full-time academic programme that is approved by the <i>Board</i> as relating to the purposes of the <i>Society</i>, or</p> <p>(ii) A Retired Member, being a person who has either retired from full-time work or works less than 20 hours per week and requests to be recorded as a <i>Retired Member</i>.</p> <p>(d) Life Member A <i>Life Member</i> is a person honoured for highly valued services to the <i>Society</i> elected as a <i>Life Member</i> by resolution of the <i>Board</i>. A <i>Life Member</i> shall have all the rights and privileges of a financial <i>Voting Member</i> and shall be subject to all the duties of a <i>Voting Member</i> except those of paying subscriptions and levies.</p>	<p>A <i>Life Member</i> shall be exempt from paying fees as provided for in rule 7.1, and</p> <p>d. Individual Members: includes any natural person that is a Member of the <i>Society</i> and includes any Student Member, Retired Member, Fellow Member, and Life Member.</p>
<p>2.3 Admission of Members:</p> <p>(a) Every <i>Member</i> must expressly consent to becoming a <i>Member</i> (the consent of a body corporate or partnership to become a <i>Member</i> may be given on its behalf by a person who has the appropriate financial and organisational authority), and an applicant for membership as a <i>Member</i> shall complete any application form provided by the <i>Board</i> and supply such information as may be required by the <i>Board</i>.</p> <p>(b) Membership applications shall be considered by the <i>Board</i> which may interview an applicant or representative/s of a body corporate or partnership applicant.</p> <p>(c) The <i>Board</i> shall have a discretion whether or not to admit a membership applicant, and shall advise the applicant of its decision (but shall not be required to provide reasons for that decision), and a successful applicant shall immediately pay the annual subscription or such proportion of it as may be specified by the <i>Board</i>.</p>	<p>6.3 Acceptance or refusal of application for membership</p> <p>Subject to rule 6.2c (Application for Membership) the Board has an absolute discretion whether or not to accept or refuse an application for membership of the <i>Society</i>.</p> <p>The Board may delegate this function to a subcommittee of Officers or an Officer for and on the terms as determined by the Board from time to time. The Board, subcommittee or officer(s) (as relevant) must advise the applicant of its/their decision but is/are not bound to give any reason for the acceptance or refusal of any application.</p>
<p>Membership obligations and rights:</p> <p>(a) All <i>Members</i> (including <i>Board members</i>) shall:</p> <ul style="list-style-type: none"> (i) Promote the interests and purposes of the <i>Society</i>, (ii) Do nothing to bring the <i>Society</i> into disrepute, and (iii) Comply with any Code of Conduct adopted by the Board pursuant to Rule 5.12. 	<p>6.10 Members' obligations</p> <p>All <i>Members</i> shall promote the interests and Purposes of the <i>Society</i> and shall not do anything to bring the <i>Society</i> into disrepute.</p>

<p>NA</p>	<p>6.6 Liability of members</p> <ol style="list-style-type: none"> 1. A Member is not liable for an obligation of the Society by reason only of being a member. 2. The liability of a Member is limited to any amount unpaid on the membership of the Member. 3. Nothing in this rule affects the liability of a Member to the Society under a contract, or for any tort, breach of a fiduciary duty, or other actionable wrong committed by the Member.
<p>Subscriptions and levies</p> <p>2.11 The annual subscription and any other fees for different classes of membership for the then current financial year shall be set pursuant to Rule 5.2(b).</p> <p>5.2 Subject to this constitution and any resolution of any General Meeting the <i>Board</i>: (b) Shall set the annual subscription and any other fees for different classes of membership (and the <i>Board</i> may allow payment to be made by periodic instalments) in advance of the beginning of each financial year,</p> <p>2.12 Any <i>Member</i> failing to pay the annual subscription (including any periodic payment), any levy, or any capitation fees, within three calendar months of the date the same was due for payment shall be considered as unfinancial and shall (without being released from the obligation of payment) have no membership rights and shall not be entitled to participate in any <i>Society</i> activity or to access or use the <i>Society's</i> premises, facilities, equipment and other property until all the arrears are paid. If such arrears are not paid within six months of the due date for payment of the subscription, any other fees, or levy the <i>Board</i> may terminate the <i>Member's</i> membership (without being required to give prior notice to that <i>Member</i>).</p>	<p>7.1 Subscriptions and fees</p> <p>a Members shall pay:</p> <ol style="list-style-type: none"> i An annual membership subscription of such amount as is from time to time fixed by the Board; and ii Such additional fees as may be fixed by the Board from time to time. <p>b Annual membership subscriptions shall be paid by the date fixed for payment under rule 7.1 (a)1.</p> <p>c Any additional fees payable in accordance with rule 7.1 (a)2 shall be paid by the date fixed by the Board for payment.</p> <p>d Unless the Board determines otherwise, all annual subscriptions are payable on the first day of each Financial Year by all Members other than those who have given notice of resignation to the Board at least one month prior to the expiry of the previous Financial Year.</p> <p>7.2 Failure to pay</p> <p>Any Member failing to pay the annual subscription (including any periodic payment), any levy, or any capitation fees, <i>within 30 days</i> of the date the same was due for payment shall be considered as unfinancial and shall (without being released from the obligation of payment) have no membership rights and shall not be entitled to participate in any <i>Society</i> activity or to access or use the <i>Society's</i> premises, facilities, equipment and other property until all the arrears are paid. If such arrears are not paid within 90 days of the due date for payment of the subscription, any other fees, or levy the Board may:</p> <ol style="list-style-type: none"> . impose reasonable penalties on the Member of such amount as is from time to time fixed

	<p>by the Board; or</p> <p>a. terminate the Member's membership (without being required to give prior notice to that Member).</p>
<p>Procedure at General Meetings</p> <p>3.9 General Meetings may be held at one or more venues using any audio, audio and visual, or electronic communication technology that gives each <i>Voting Member</i> attending in person, by proxy or by <i>Authorised Representative</i> a reasonable opportunity to participate.</p>	<p>10.7 Virtual meetings</p> <p>Notwithstanding any other provision in this Constitution, the contemporaneous linking together by telephone or video conference or other electronic means permitting instantaneous communication (referred to as a 'remote meeting' in this Constitution) of a number of Board Members ('participants') being not less than the quorum, shall be deemed to constitute a meeting and all the provisions in this rule 10 as to meetings shall apply to such meetings so long as the following conditions are met:</p>
NA	<p>10.9 Delegation of Powers</p> <p>(b) Investment Manager</p> <p>The Board may appoint or remove one or more Investment Managers on terms to be agreed between the Board and the Investment Manager from time to time. The Investment Manager may be given such powers and duties in relation to the investment or the whole or any part of the assets of the Society including the power to determine and to make particular investments as decided by the Board.</p>
<p>5.7 Conflicts of interest or loyalty of Board members:</p> <p>(a) A <i>Board member</i> shall be considered to have an interest in a matter being considered by or affecting the <i>Society</i> if he or she:</p> <p>(i) May derive a financial benefit from the matter, or</p> <p>(ii) Is the spouse, civil union or de facto partner, child, or parent of a person who may derive a financial benefit from the matter, or</p> <p>(iii) May have a financial interest in a person or entity to which the matter relates,</p> <p>(iv) Is a partner, director, officer, board member, or trustee of a person who may have a financial interest in a person or entity to which the matter relates,</p>	<p>11.3 No private pecuniary profit of any Board Member with exceptions</p> <p>1. No Board Member may direct or divert to their own benefit or advantage an amount derived from the business of the Society.</p> <p>2. No private pecuniary profit shall be made by any person involved in the Society whether a Board Member or otherwise, except that where it is considered appropriate by the Society:</p> <p>a) any Board Member may be entitled to be reimbursed out of the assets of the Society for all expenses that they properly incur in connection with the affairs of the Society;</p> <p>b) any Board Member may be paid all usual professional, business or trade charges for services rendered, time</p>

	<p>expended and all acts done by that Board Member or by any form or entity of which that Board Member is a member, employee or associate in connection with the affairs of the Trust; and</p> <p>c) any Board Member may retain any remuneration properly payable to that Board Member by any company or undertaking with which the Society may be in any way concerned or involved for which that Board Member has acted in any capacity whatsoever, notwithstanding that the Trustee's connection with that company or undertaking is in any way attributable to that Board Member's connection with the Society.</p>
<p>3.0 GENERAL MEETINGS</p> <p>Annual General Meetings</p> <p>3.1 The Annual General Meeting shall be held no later than 31 July in each year (and not later than 4 months after the balance date under Rule 4.16 and not later than 15 months after the previous Annual General Meeting) on a date, at a time and at venue/s fixed by the Board.</p>	<p>14.1 Annual General Meeting</p> <p>a The Society shall in each year hold an Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling the meeting.</p> <p>b The Annual General Meeting must be held:</p> <p>i not later than 6 months after the balance date; and</p> <p>ii not later than 15 months after the date of the previous Annual General Meeting.</p>
<p>Special General Meetings</p> <p>3.4 Special General Meetings (which only <i>Voting Members</i> and <i>Life Members</i> are entitled to attend) shall be called by:</p> <p>(a) The <i>Board</i>, or</p> <p>(b) A written requisition to the Secretary signed by not less than 15% of the <i>Voting Members</i> and such requisition must specify the business to be considered by the Special General Meeting.</p>	<p>14.3 Special General Meetings</p> <ol style="list-style-type: none"> 1. Special General Meetings may be called at any time by the Board by resolution. 2. The Board must call a Special General Meeting if it receives a written request signed by at least 50% of Members.
<p>3.11 The quorum for General Meetings is 15 <i>Voting Members</i> in attendance in person, by proxy (as provided for in Rule 3.10), or by <i>Authorised Representative</i> at the venue or venues for the meeting when the meeting is called to order and present throughout the meeting. Any decisions made when a quorum is not present are invalid.</p>	<p>14.4 Quorum</p> <p>No business shall be transacted at any general meeting of the Society unless a quorum is present when the meeting proceeds to business. A quorum shall be not less than 20 Members eligible to vote at general meetings, present in person or by proxy:</p>

<p>Voting at General Meetings and by Remote Ballot</p> <p>3.16 A <i>Voting Member</i> is entitled to exercise one vote in person or by proxy (as provided for in Rule 3.11) on any motion at a General Meeting, and at a General Meeting</p>	<p>14 One vote per Member</p> <p>Each Member shall be entitled to one vote at a general meeting of the Society.</p>
<p>6.0 AMENDMENT OF THIS CONSTITUTION</p> <p>6.1 This constitution may be amended or replaced in accordance with Rule 6.4, [Any resolution to amend or replace this constitution must be passed by a two-thirds majority of all <i>Voting Members</i>:] provided that no amendment may be made which would:</p> <p>(a) Alter this constitution restricting the purposes of the <i>Society</i> to advancing charitable purposes within New Zealand,</p> <p>(b) Alter any provision in this constitution precluding <i>Members</i> from obtaining any personal benefit or profit from their membership, or</p> <p>(c) Otherwise conflict with the provisions of the <i>Statute</i>, but no change shall be made to the <i>Society's</i> balance date without the prior approval of the Registrar of Incorporated Societies pursuant to the <i>Statute</i>.</p>	<p>22 Amendment of Constitution</p> <p>22.1 The terms of this Constitution may be altered, added to, rescinded, or otherwise amended at any time by Special Resolution [majority of not less than 75% of the Members who are present] provided such alteration, addition, revision or other amendment shall not be inconsistent with the Purposes and shall comply with the requirements set out in section 30 of the Act.</p>
<p>Election of Board</p> <p>4.1 A <i>Board</i> consisting of 10 persons shall be elected, and they shall be the <i>Society's Board</i> and hold office under Rule 5.1, and:</p> <p>(a) Subject to Rules 5.7 and 5.9, each <i>Board member</i> shall serve for a term of two years,</p> <p>(b) To ensure a degree of continuity approximately half (i.e. usually either 4 or 5) of the <i>Board members</i> shall be elected (and may be re-elected) annually,</p> <p>(c) At its first meeting after each election the <i>Board</i> shall:</p> <p>(i) Elect a Chair, Deputy Chair, Secretary, and Treasurer, and</p> <p>(ii) Consider the interests and expertise of the elected <i>Board members</i> and, if considered necessary to achieve a balanced mix of interests and expertise, it may appoint no more than two additional co-opted <i>Board members</i> (other than a person disqualified</p>	<p>9.2 Composition of the Board</p> <p>The Board shall comprise no more than ten (10) and no fewer than three (3) Board Members elected by Ordinary Resolution.</p> <p>9.3 Independent Board Member</p> <p>By Special Resolution, one or more persons who are not Members may be independent Board Members, provided that a majority of Board Members must be made up of either or both of the following:</p> <ul style="list-style-type: none"> . members of the Society; a. representatives of bodies corporate that are members of the Society. <p>9.4 Appointment of Chairperson and Deputy Chairperson</p> <p>The Board may elect:</p> <ul style="list-style-type: none"> . one of the Board Members to be

<p>from serving by reason of Rule 5.9) for a term of up to 2 years, but no such co-opted <i>Board member</i> may serve in that co-opted capacity for more than one such term.</p>	<p>Chairperson; and</p> <p>a. one of the Board Members to be Deputy Chairperson.</p> <p>9.5 Appointment of Treasurer</p> <p>The Board Members may appoint one of their number to be the Treasurer from time to time.</p> <p>9.7 Term of office</p> <p>Each Board Member shall serve for a term of two years and no more than three consecutive terms. To ensure a degree of continuity half (or, if there is an odd number, one fewer than half) of the Board Members shall be elected (and may be re-elected) annually.</p>
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