

Potatoes New Zealand Incorporated –

Explanatory Notes to Proposed New Constitution 2025

The Incorporated Societies Act 2022 (the 2022 Act) modernises the laws and the way societies need to operate. The deadline to re-register is April 2026.

Potatoes New Zealand has reviewed and updated our constitution / rules in line with the new act. The final version is available to the growers and stakeholders to review and comment on via the online form.

Clause	Change	Required by law
1. Definitions	Some new definitions have been added as limited definitions in the last constitution and some changes in legislation call for new definitions.	New definitions
3. Objects	Some minor changes, mostly the order of the objects has been adjusted. This better reflects the work of Potatoes New Zealand.	Amended slightly to better reflect the work of PNZ
4. Memberships	Some changes, mostly just a tidy up to ensure we meet the new legislation. There is the addition of an application form that needs to be completed by all new members. Members are members of the society and Levy Payers are as per the commodity levy act. Members can opt out of the society but not the commodity levy requirements.	S 76 A person must consent to become a member of a society.
5. Membership fees	This is a new clause; it is to accommodate associate and trade members and the fee's paid for these memberships.	
6. Disputes	This is a new clause and a requirement under the new legislation. This is in schedule 2 of the constitution.	S 38/39 The constitution must contain procedures for resolving disputes, which must comply with natural justice.
8. Meetings	The Annual General Meeting section has been amended to reflect the updated legislation and to make the timeline more flexible for calling meetings and getting information to members. We have proxy and nominated representatives to ensure that members can be heard at both AGMs and SGM's.	S 84-88 The existing timeframes are challenging. S 93

	An annual report on the operations and affairs of the society during the most recently completed accounting period will be presented. The board has decided to remove the chairperson having the casting vote to keep our processes fair and equitable.	S 86
9. The board	We have tried to ensure flexibility in the board composition, which will maintain grower representation as well as to allow for skills based appointed directors when needed. Board Directors have been outlined in the Act and added to the constitution for clarity. Indemnities and insurance as per the Act.	S 54-61 S 94-98
10. Conflicts of interest	Stipulated in the Act but for clarity we have included requirements in the constitution and aligned our policy with the new constitution.	S 62-73
16. Method of contracting	Act sets out how a society can enter into contracts	S 123
17. Society Funds	Society funds can only be invested in a bank not any other institute that may put the funds at risk.	
21. Contact person	For the purposes of the Act, the contact person of the Society shall be the Chief executive and one other employee of the society.	S 113 Every society must at all times have at least 1 contact person

The composition of the board of directors' changes:

Old Constitution	New Constitution
<p>9. Management of the Society</p> <p>(a) The management and control of the affairs and business of the society shall be vested in a board ("the board") which shall comprise at least 5 directors and up to 8 or 9 directors, as follows:</p> <p>(i) A minimum of 5 and a maximum of eight elected directors; and (ii) An additional independent director (if appointed by the board in its discretion pursuant to clause 9(h)).</p> <p>(b) (i) At all times there shall be at least two (2) Grower Member directors and two (2) Trade Member directors; and (ii) At no time can there be more Trade Member directors than Grower Member directors.</p>	<p>1.1 Composition of Board</p> <p>(a) The Board shall comprise at least 5 and up to 9 Directors, of whom:</p> <p>(i) A minimum of 5 and a maximum of 8 Directors shall be elected by Grower and Trade Members; and</p> <p>(ii) up to 3 Directors "Appointed Directors", who need not be Members, may be appointed and removed by the Board.</p>

<p>(d) The following provisions relate to the entitlement to hold office as director: <i>Any person holding the office of director (including any co-opted director) shall be entitled to hold the office for a period not exceeding 3 years. At the end of the term that person shall stand down, but will be eligible for re-election (or co-option) for further 3-year terms pursuant to clause 9(e) provided that no person shall serve more than:</i></p> <p><i>A. 3 consecutive 3-year terms (i.e. a maximum of 9 years) as a director; or</i></p> <p><i>B. 3 consecutive 3-year terms (i.e. 9 years) plus such additional part period the director has held office before retiring and being re-elected to office (i.e. a maximum of 11 years) as a director.</i></p> <p><i>A person who has served 3 consecutive 3-year terms as a director will become re-eligible for election after having retired for at least one 3-year term. This provision shall be deemed to have applied as from the date of incorporation of the society.</i></p> <p>The following persons shall be eligible for election as a director:</p> <p>(i) Any Grower member or Trade member who is a natural person; or</p> <p>(ii) Any director or shareholder of a Grower member or Trade member that is a company; or</p> <p>(iii) Any partner, employee or nominated representative of a Grower member or Trade member that is a partnership or joint venture (whether incorporated or not); or</p> <p>(iv) Any member of a committee of management of a Grower member or Trade member that is a Maori incorporation; or</p> <p>(v) Any trustee of a Grower member or Trade member that is a trust (including a Maori Trust Board); or</p> <p>(vi) any employee of a Grower member or Trade member; being the person nominated as the principal representative of that member in respect of dealings with the society.</p> <p>(f) Non-members will be eligible for co-option as a director.</p>	<p>(b) The persons who are eligible to be elected as a Director under Rule 9.1(a)(i) are natural persons who are not disqualified by section 47(3) of the Act from being appointed or holding office as an officer of the Society, and at the time of their election, are either:</p> <p>(i) a Grower Member; or</p> <p>(ii) a person who is engaged as an employee of:</p> <p>(1) a Grower Member;</p> <p>(2) a Trade Member; or</p> <p>(3) an entity associated (in the reasonable opinion of the Board) with a Grower Member.</p> <p>(c) The persons who are eligible for appointment as an Appointed Director under Rule 9.1(a)(ii) are natural persons who are not disqualified by section 47(3) of the Act from being appointed or holding office as an officer of the Society.</p> <p>9.2 (f) Subject to Rule 9.4, every Director elected pursuant to Rule 9.1 shall hold office until the end of the third Annual General Meeting after he or she takes office; and</p> <p>9.2 (g) A Director whose term of office is due to expire may offer him or herself for re-election PROVIDED THAT no person shall be eligible for re-election as a Director if, as at the date of the next Annual General Meeting, that person will have served as a Director for a consecutive period of 9 years from the date he or she took office.</p>
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