

Potatoes New Zealand Incorporated –

Briefing document

Special General Meeting

The following extraordinary resolutions will be put to the Special General Meeting on 20th May 2025.

As extraordinary resolutions, these will be subject to not less than 66% majority vote of those present and entitled to vote.

1. The Potatoes New Zealand adopts the attached new constitution (including appendices) with effect from registration with the Registrar of Incorporated Societies.

2. That the Board are empowered to make any changes to the proposal necessary to comply with any direction from the Registrar of Incorporated Societies provided that these changes are ratified by Members subsequently at the Annual General Meeting in August.

Background:

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. The new Act also includes stricter requirements as to what must be included in a society's constitution, including:

- Greater clarity around the Governance of Societies including duties and eligibility to be part of the Committee of the society;
- Changes to financial reporting;
- Clear complaint and dispute resolution procedures

Draft Constitution:

Potatoes New Zealand has reviewed and updated our constitution / rules in line with the new act. This has then been subject to legal advice from Merlaina Donald of JB Morrison Lawyers.

We are pleased to present the constitution to Members for ratification. Below are some explanatory notes of significant changes.

| Clause | Change | Required by law |
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| 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. | S 76 A person must consent to become a member of a society. |

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| | 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. | |
| 5. Membership fees | This is a new clause; it is to accommodate associate and trade members, and the fees 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 | <p>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 SGMs.</p> <p>An annual report on the operations and affairs of the society during the most recently completed accounting period will be presented.</p> <p>The board has decided to remove the chairperson having the casting vote to keep our processes fair and equitable.</p> | <p>S 84-88 The existing timeframes are challenging.</p> <p>S 93</p> <p>S 86</p> |
| 9. The board | <p>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.</p> <p>Board Directors have been outlined in the Act and added to the constitution for clarity.</p> <p>Indemnities and insurance as per the Act.</p> | <p>S 54-61</p> <p>S 94-98</p> |
| 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. | |

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| 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 |
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Voting on the new constitution:

The adoption of a new Constitution requires a extraordinary resolution be passed.

This requires a majority votes of not less than 66% of members present and entitled to vote.

Voting for resolutions (under our current rules) will be on the basis of one vote per Grower Member and Trade member.

Proxies, if any Grower Member or Trade Member are unable to attend that member may by notice in writing delivery to the Chief Executive not later than 48 hours prior to the time fixed for the meeting appoint any other person entitled to attend and vote available.

Want to know more:

The new Constitution may take some time to come to grips with and you may have questions about the new format or changes made. We are offering member meetings throughout April and feedback via the website.