

TENNIS NEW ZEALAND
CLUB TEMPLATE CONSTITUTION
GUIDANCE NOTES

April 2025

INTRODUCTION

1. On 12 December 2024, Tennis NZ (TNZ) adopted a new Constitution, which provides for a new membership structure for all clubs, associations and other organisations delivering tennis in New Zealand. This Constitution will come into force on 1 January 2025.
2. Under the new TNZ Constitution, tennis clubs that are, or wish to become, members of, their Local Tennis Partner (LTP) (if applicable) their Regional Tennis Organisation (RTO) and TNZ must adopt a constitution that is compliant and consistent with their respective constitutions and regulations. See Rule 61.1 of the TNZ Constitution for the procedure to apply to become a Club.
3. The Template Club Constitution (available on the Modernising Tennis Hub) is intended to assist Clubs to align with the requirements of the constitutions of their LTP (if applicable), their RTO, TNZ and the new Incorporated Societies Act 2022 (the Act).
4. The Template is for clubs which are incorporated societies. If a Club is a trust or another type of legal entity, rules equivalent to those in this Template could be adopted but independent legal advice should be sought.
5. Clubs that are currently members of an Association or Regional Centre will need to adopt their new constitution and apply to the LTP or RTO they wish to remain a member of (and to become a member of TNZ). Clubs need to have this completed, and to be re-registered with Incorporated Societies, by no later than 5 April 2026.
6. To maintain incorporated status as an incorporated society, clubs must also re-register on the [Incorporated Societies Register](#) by April 2026 with a constitution that complies with the Act and the [Incorporated Societies Regulations 2023](#). Using this Template will ensure the club's constitution meets those requirements.
7. The process to adopt changes to a club's constitution will be in the Club's existing constitution. Changes can usually be made at the club's Annual General Meeting or a Special General Meeting called for that purpose.
8. Using this Template Club Constitution is **highly recommended**. If the mandatory and recommended wording is adopted without amendment, the Club will be compliant with the requirements for a club under the constitution and regulations of TNZ and the Act.
9. Clubs may wish to seek independent legal advice in preparing changes to their existing constitutions or adopting a new one.
10. As every Club differs in its structure and processes, this Template does not set out all the options but reflects a suggested approach. It should be adapted to suit local processes and practices.
11. A Club's Constitution should set out the purposes and rules by which the Club will operate and as required by law. Details for the day-to-day operation of the Club or the procedures by which the purposes are to be implemented can be included in regulations, by-laws and policies.

HOW TO USE THE TEMPLATE CLUB CONSTITUTION

It is recommended that each Club adopts a whole new constitution, rather than changing its existing one, as there are many changes required.

The Template Club Constitution is for guidance only. However, there are some parts which are required by law, under the Act. There are others which, if adopted word for word, will mean the Club is compliant with the constitutions of their LTP (if applicable), their RTO and TNZ.

The Template uses the following colour coding:

- **RECOMMENDED WORDING** – wording in black is recommended to comply with the law and the constitutions of your LTP (if applicable), your RTO and TNZ.
- **CLUB SPECIFIC** - wording in green is for inserting your CLUB SPECIFIC wording, such as your name.
- **OPTIONAL WORDING** - wording in blue is OPTIONAL WORDING. You can delete or use alternative wording.
- **CHARITY** - if your Club is, or wants to become, a registered charity under the Charities Act 2005 these Guidance Notes include alternative wording which must be used for certain rules. These are noted in orange. It is important that legal advice is sought if your Club is considering becoming a charity. Sport is not charitable in and of itself, but if it is a means of achieving a charitable purpose (such as education or improved health for the public), then it may be charitable.

TABLE OF CONTENTS / NUMBERING

Before finalising the constitution:

- remove all the square brackets from where the organisation specific wording has been inserted;
- check that the numbers referred to within a rule correctly cross reference to the right rule number; and
- adjust the table of contents including page numbers.

ADDITIONAL SUPPORT AND RESOURCES

The following documents are available as additional resources (see hyperlinks):

- [ISA Checklist \(SportNZ\)](#)
- [Pros and cons to being Incorporated \(SportNZ\)](#)
- [Sport NZ Ihi Aotearoa FAQs](#)
- [Reregistration videos and tools | Incorporated Societies](#)
- [Life after registering under 2022 Act](#)

RULE 1 - CLUB DETAILS

Rule 1.1 Name

MANDATORY RULE: *The name of your Club is required to be in your constitution – sections 26(1)(a) and 11 of the Incorporated Societies Act 2022 (referred to as the “Act”). The name must end with Incorporated, Inc or Manatōpū.*

The Act permits the name of a society to be in Māori, or both English and Māori, but this is optional. If you wish to have a Māori name, it is strongly recommended that the Club first engage with local iwi and hapu to ensure the name, and the process for the Club to use it, is in accordance with their tikanga.

Rule 1.2 Contact Person

MANDATORY RULE: *How the contact person(s) will be elected or appointed is required to be in your constitution – sections 26(1)(g) and 113 of the Act.*

The Template suggests the Committee appoints a contact person, but this position could be elected or be part of another established position but in either event it must be stated in the Constitution.

Note that the Committee must notify the Registrar of Incorporated Societies of any change in the contact person(s) or their contact details.

RULE 2 – PURPOSE, CAPACITY AND POWERS

Rule 2.1 Purpose

MANDATORY RULE: *The purposes of your society are required to be in your constitution – section 26(1)(b) and 12 of the Act.*

The purposes of the Club (formerly called objects) set out why the Club exists and the legal parameters for what it can (and therefore cannot) do.

Note the reference to “amateur sport” is recommended to ensure the Club is able to be exempt from paying income tax as an amateur sport body under section CW46, Income Tax Act 2007.

The Template wording is for a Club that is not or does not wish to be a charity.

If your Club is or wishes to be a charity then use this wording instead:

The charitable purposes of the Club are to improve the health and wellbeing of the general public in [insert name of local area] through participation in Tennis including by:

[then insert the list of purposes set out in the Template].

Optional Rule 2.2 Te Tiriti o Waitangi: Increasingly sports organisations are recognising and making a commitment to Te Titiri o Waitangi/ Treaty of Waitangi in their constitutions. TNZ has done so in its Constitution.

While not compulsory, some clubs may wish to include a commitment Te Titiri o Waitangi/ Treaty of Waitangi in their constitutions, per the example text below. Those clubs are welcome to contact TNZ to be connected to our Māori Cultural advisor, who can advise and support the Club with next steps to explore including a clause like this in your constitution.

Sample Wording:

Te Tiriti o Waitangi: The Club is committed to upholding the mana of Te Tiriti o Waitangi and ensuring that the purposes of the Club are carried out in a manner that is consistent with the principles of the Treaty of Waitangi.

Rule 2.2 Capacity and Powers: Section 18 of the Act specifies the capacity and powers of societies. Rule 2.2 of the Template does not have to be in the Constitution as the Act will apply in any event, but it is recommended.

RULE 3 – MEMBERS

3.1 Categories of Members

MANDATORY RULE: *How a person becomes a member is required to be in your constitution – sections 26(1)(c) and 76 of the Act. Therefore, the categories, criteria and application process to be a member must be included.*

Under the new TNZ Constitution, every individual who is a Member of a Club, is required to become a member of the LTP (if applicable), the RTO and TNZ.

A Member will be any individual who wishes to have access to any of the Club's Tennis courts and associated facilities to play, coach, train, be coached, officiate, administer or otherwise be involved in Tennis or any Tennis-related activities under the control of the Club.

Details about every Member will be on a register of members (required by law) and stored in both the club's Member Management System and the National Database.

The National Database established by TNZ will allocate members into categories based on their duration of membership. Therefore, it is important that every category of membership at a Club has a start and end date (other than Life Membership).

Clubs can have any categories of membership they wish, subject to the requirement of the TNZ Constitution that:

- a. Every person under 18 as at the date of application to be a member (in any category of membership) must have their parent or guardian become a Member of the Club (the LTP (if applicable), the RTO and TNZ) at the same time as their child.¹
- b. Casual participants must become Non-Voting Members of the Club, so that the Club can bind them to national policies such as the Code of Conduct. At the outset, only casual participants who book or enrol for programmes in a digital system (such as Book A Court) and where that digital system connects to the National Database, will be recorded as individual casual members of the Club.
- c. Every individual who is elected or appointed to a position with authority and responsibilities at the Club must become a Member for the period of their appointment. This includes the Officers, Committee Members, administrators, tournament officials, and employees.

¹ 10.2 Each Member Organisation will specify in its constitution the date and process by which individuals who are, or wish to become Members of it, will comply with Rule 13 of the New TNZ Constitution, that will be - in the case of membership of the Club by parents / guardians, be no later than 5 April 2028.

- d. Every person engaged by the Club (whether on a voluntary or paid basis) to coach Tennis at or for the Club must be a Member of the Club.

For this reason, the above four categories of membership must be in your Constitution.

The Constitution should distinguish between categories of members which can vote at General Meetings of the Club (Voting Members), such as Full Members and Life Members and those who cannot vote (Non-Voting) such as junior or casual members. It is up to each Club to decide which category or categories of members will be Voting Members or Non-Voting Members.

The law does not prevent junior players from voting however, it is recommended that they instead give their parents/guardian such voting rights – either on the junior member’s behalf or in their own right as a parent/guardian member.

The age of any junior member category can be decided by the Club.

For each member category you have it is recommended that you include:

- whether they have voting rights;
- the extent of the rights of access to the Club and associated facilities;
- whether this includes the right to play at and for the Club; and
- the duration of membership.

It should be noted that each category of member can have different fees within them. For example, you could have different fees for junior and senior casual players; or you could have a family membership fee.

Sample wording is provided in Appendix 1 and should be changed to suit.

Rule 3.3 Process for Application

MANDATORY RULE: *How a person becomes a Member of your Club is required to be in your Constitution – sections 26(1)(c) and 76 of the Act 2022.*

Rule 3.4 Consent

MANDATORY RULE: *A requirement that a person must consent to be a member of your club is also required to be in your constitution – sections 26(1)(c) and 76 of the Act 2022.*

Rule 3.5 Admission as a Member

MANDATORY RULE: *The requirement for clubs to use a Member Management System approved by TNZ for membership is mandatory – Rule 11.1 TNZ Constitution.*

From [date], all applications to be a member of a Club must be processed using a Member Management System approved by TNZ and in accordance with the TNZ Regulations.

The Template sets out that approval by the Club occurs upon the individual receiving confirmation from the Member Management System. In this scenario, the Committee cannot deregister a Member without following the termination process set out in the Constitution.

If the Club does not yet have an online Member Management System, Rule 3.5c can be amended with the optional text in blue below:

- b. upon the individual receiving confirmation of their application from the Member Management System or approval of the application by the Committee;

Rule 3.8 Members' Rights and Obligations

Members have rights to request information held by your Club – as set out in sections 80 – 83 of the Act. This is not required to be in your constitution so the Template does not include these, but you should be aware of your club's rights and obligations if you receive such a request and ensure you comply with the Act and, if relevant, the Privacy Act 2020.

Under Rule 3.8e Members have an obligation to use 'reasonable efforts' (*where it is practical and deemed reasonable*) to assist any individual they wish to play, coach, or train with or otherwise have access to any tennis courts and associated facilities of the Club, to become a Member before such access. This includes individuals who are not members of the Club, or another TNZ Member Organisation. One of the key elements of the move to system-wide membership, is to ensure that everyone is connected, engaged and safer. The wording is deliberately "reasonable efforts" rather than a hard obligation.

In practice, Rule 3.8e will initially be applied where an individual digitally connects (via booking a court, entering a league or tournament, or joining the club as a paid member etc) to the club or facility. Reasonable efforts do not extend to chasing up guests or casuals who may be trying the club or attending a social evening. As digital systems grow, more casuals will be brought into the system.

Rule 3.9 Membership and Other Fees

The Template sets out two options for Club's to select as applicable:

- 1) that membership fees are approved by their members annually at each Annual General Meeting; and
- 2) that membership fees are approved by the Committee.

In both cases, the Template contemplates that other fees such as coaches fees, tournament fees etc can be decided by the Committee.

Rule 3.10 Register of Members

MANDATORY RULES:

- *The arrangements your Club has for keeping its register of members up to date is required to be in your Constitution – sections 26(1)(e) and 79 of the Act and Rule 13, Incorporation Society Regulations.*
- *Clubs must hold the register of members in the National Database – Rule 26.1T TNZ Constitution.*

The wording in the Template should be used for this Rule.

Rule 3.11 Cessation of Membership

MANDATORY RULE: *How a person ceases to be a member of your Club is required to be in your constitution – section 26(1)(d) of the Act.*

RULE 4 OFFICERS

Rule 4.2 Duties of Officers: The Act sets out the duties of officers including Committee Members. The wording of these duties is very similar to the director duties under the Companies Act 1993.

Officers of the Club can be held personally liable for breaches of these duties. If the Club wishes to indemnify or insure its officers for breach of officers' duties, its Constitution must expressly authorise this (see Rule 11.5 below).

These duties can be included in the Constitution if you wish to have them set out, as stated in Appendix 2.

Rule 4.1 Qualification / Rule 4.3 Disqualification – under section 47 of the Act every Committee Member and officer must consent in writing, and certify they are not disqualified, to holding their position. These consents must be held in the Club's records. A template form for this consent and certification can be found here <https://is-register.companiesoffice.govt.nz/assets/incorporated-societies/2022-act/template-is22-cco-officer-consent-and-certificate.pdf>.

If your Club is a charity, amend the wording below as stated in orange:

Qualification: Every Committee Member must, in writing:

- a. consent to be a Committee Member; and
- b. certify that they are not disqualified from being elected or holding office as a Committee Member by this Constitution or under section 47 of the Act *or under section 36B of the Charities Act 2005.*

Disqualification: The following persons are disqualified from being elected or holding office as a Committee Member:

- a. a person who is an employee of, or independent contractor to, the Club;
- b. a person who is disqualified from being elected or holding office as a Committee Member under section 47 of Act *or under section 36B of the Charities Act 2005;*
- c. a person who has been removed as a Committee Member in accordance with this Constitution.

Rule 4.4 – Cessation from Office

MANDATORY RULES: *The grounds for removal from office of officers is required to be in your constitution – sections 26(1)(f)(v) and 50(1)(b) of the Act.*

If your club is a charity, add the wording below in orange:

An individual ceases to be an Officer, if the individual:

- a. resigns as an Officer in accordance with the Act;
- b. becomes disqualified from being an Officer under the Act *or section 36B of the Charities Act 2005;*
- c. if the Officer is a Committee Member, is removed from office in accordance with Rule 17.2;
- d. ceases to be a Member;
- e. dies; or
- f. otherwise vacates their office resulting in a Casual Vacancy.

RULE 5 – COMMITTEE ROLE AND POWERS

The Template sets out the election of Committee Members at the AGM, but other options are possible so amend this rule to suit.

Rule 5.1 Role and Powers

MANDATORY RULE: *The functions and powers of the committee are required to be in your constitution – sections 26(1)(f)(iv) and 46 of the Act.*

This rule is mandatory with the Template wording aligned to the Act. If your Club has sub-committees, it is good practice for Terms of Reference to be issued by the Committee for each sub-committee. Key components that the Terms of Reference should include are the Sub-Committee's role and responsibilities, any decision-making authority or limitations, reporting requirements to the Committee, composition, appointment process and term length, operating procedures (e.g. meeting frequency, quorum for decision-making) (if applicable), minutes etc).

Rule 5.2 Composition

MANDATORY RULE: *The number of members that must or may be on the committee is required to be in your constitution – sections 26(1)(f)(i) and 45 of the Act. You must have a minimum of 3 committee members. Under section 45(3) of the Act a majority of your committee members must be Members*

Under the Act you must have a minimum of 3 Committee Members. Section 45(3) of the Act provides that a majority of your Committee Members must be members of the Club.

Rule 5.7 Election of Committee Members

MANDATORY RULE: *The election or appointment of officers is required to be in your constitution – section 26(1)(f)(ii) of the Act.*

Rules 5.3 -5.5 President, Secretary, Treasurer – there is no legal requirement to have a President, Secretary or Treasurer or to have specific positions listed, but these three are typical for most tennis clubs.

Rule 5.6 Term of office

MANDATORY RULE: *The term of office of officers is required to be in your constitution – section 26(1)(f)(iii) of the Act.*

Amend the Template wording depending on when the terms of Committee Members expire. You can choose whether to include a maximum term, as there are sometimes challenges in getting Committee Members, but it is good practice to have a maximum term to promote succession. Best practice is terms of up to 3 years, and not more than 3 consecutive terms or nine (9) years can be served. A person could serve at a later date if they don't serve consecutive terms.

Rule 5.7a Nominations - the Club may wish to add the option for people to be put forward for election at the AGM if it is common for there to be an insufficient number of nominations. The process for election or appointment of officers is mandatory under the Act.

Rule 5.7b Form of Nomination - the nomination form should be sufficiently detailed and include a requirement for disclosure of any actual or potential conflicts of interests or if the person is involved/closely connected with a person or activity which has or may bring the Club into disrepute, or which may be prejudicial to the purposes or the interests of the Club if they become a Committee Member.

Rule 5.7g If only one nominee - an alternative option to the wording in the Template, is to require any nominee to receive a majority of votes in favour to be elected (in addition to being highest polling). If that is not achieved, it becomes a Casual Vacancy to be filled by the Committee.

Rule 5.8 Casual Vacancy – it is important to set out what will happen if a Committee Member leaves their position prior to the expiry of their term.

RULE 6 - COMMITTEE MEETINGS & PROCEDURES

Rule 6.1 Calling and Notice of Meetings / Rule 6.2 Procedure

MANDATORY RULE: *The procedure for committee meetings is required to be in your constitution – section 26(1)(f)(vii) of the Act.*

The Template wording is recommended.

Rule 6.3 Resolutions Outside of Meetings – it is helpful to allow the Committee to make decisions without a meeting, for example by email. This rule allows for this.

Rule 6.4 Quorum

MANDATORY RULE: *The quorum for committee meetings is required to be in your constitution – section 26(1)(f)(vii) of the Act.*

It is recommended that the quorum of the Committee is 50% (rounded up to the nearest whole number) or more of the total number of Committee Members. For example, the quorum would be rounded up to 6 if the Committee had 10 members.

Rule 6.5 Chair

MANDATORY RULE: *How the chair (if any) is elected or appointed must be included - section 26(1)(f)(vi) of the Act.*

the Template provides for the President to be the chair of the Committee. An alternative is for the Committee to have a President who is separate from the chair of the Committee, in which case the chair could be appointed by the Committee from amongst themselves.

Rule 6.6 Voting

MANDATORY RULE:

- *Voting procedures for committee meetings are required in your constitution – section 26(1)(f)(vii) of the Act.*
- *If the Chair has a casting vote where there is an equality of votes, it is mandatory to include this in your constitution – section 26(1)(f)(vi) of the Act.*

It is mandatory to state that the chair of the Committee has a casting vote if this is desired. The Template provides the chair with the right to have a casting vote. If you do not want this, change the wording to “does not have a casting vote”.

Rule 6.7 Majority – this rule clarifies the meaning of a Majority vote and is recommended.

RULE 7 – INTERESTS AND CONFLICTS OF INTEREST

A conflict of interests’ regime under the Act applies to your Club by default, but certain sections can be modified, negated or limited (sections 63, 64, 65(1) and 73).

The Template provides a suggested example of an interest’s regime. It is optional to include, but it is recommended as a ready reference for when an interest arises. If you do not include any rules, the default regime under the Act will apply.

Rule 7.3c - The default position under the Act (section 64(1)(c)) is that an “interested” Committee Member may take part in discussions unless the Committee decides otherwise. The Template

recommends this rule is modified so the default is that the interested Committee Member cannot take part in discussions, unless the Committee agrees.

Optional Rule 7.4 - Calling of SGM: Despite Rule 14.3, if fifty percent (50%) (rounded up to the nearest whole number) or more of the total number of Committee Members are Interested in a Matter, an SGM must be called (under Rule 18.8) to consider and determine the Matter.

This is the default position under section 64(3), of the Act, but can be modified or negated. It may be a rare occurrence for more than half of committee members to be interested, so the requirement to call a SGM in those circumstance would be appropriate.

RULE 8 – PATRON/HONORARY VICE-PRESIDENT

Some Clubs have positions which are honorary such as a patron, vice-president, immediate past president. If they are part of your Committee, they should be included in Rule 5.2. If they have no decision-making rights, then include an appropriate rule here to reflect their role. An example is below but should be adapted to suit the specific position:

8. Honorary Vice-President

- 8.1 The Club shall have an Honorary Vice-President whose role it is to be a figurehead for the Club, along with the President.*
- 8.2 Any Member may nominate an individual who is a member of the Club and does not hold any other office at the Club, to become the Honorary Vice-President by giving notice to the Committee setting out the grounds for the nomination. The Committee shall determine whether the nomination should be forwarded to an AGM for election (or otherwise) by the Members. An individual will be elected as an Honorary Vice President if they receive a Majority of votes in their favour.*
- 8.3 An individual consents to becoming an Honorary Vice President upon the acceptance of their appointment. The Honorary Vice-President is an Appointed Personnel of the Club.*
- 8.4 The Honorary Vice-President may attend and speak, but does not have the right to vote, at General Meetings as decided by the Committee.*

RULE 9 – CLUB MANAGER

This rule is optional and should be included if you have a Manager or an equivalent position that leads the day-to-day operations of the Club, whether that is paid or unpaid. The title of the position should be changed to suit your Club. If the Secretary does the tasks allocated in the Template Club Constitution to the Club Manager, then change the reference to Secretary throughout.

Under the Act, the Club may not indemnify for criminal liability or a liability that arises out of a failure to act in good faith and in what the officer, member, or employee believes to be the best interests of the club.

Consider carefully if you wish to indemnify or effect insurance for officers for a failure to comply with their officers' duties under the Act. If you do, this must be expressly authorised by your constitution. The Template provides a rule for such indemnity and insurance.

It should be noted that officers who vote in favour of authorising insurance must sign a certificate stating that, in their opinion, the cost of effecting the insurance is fair to the Club (Section 97 of the Act).

RULE 10 – MEETINGS OF MEMBERS

10.1 Annual General Meeting (AGM)

MANDATORY RULE: *The intervals between AGMs are required to be in your constitution – sections 26(1)(k)(i) and 84 of the Act.*

10.4 Notice of AGM

MANDATORY RULE:

- *The manner of calling general meetings is required to be in your constitution – section 26(1)(k)(iv) of the Act.*
- *The time within which, and manner in which, notices of general meetings and notices of motion must be notified is required to be in your constitution – section 26(1)(k)(vi) of the Act.*

Rule 10.6bii Business of AGM

MANDATORY RULE: *The information that must be presented at general meetings is required to be in your constitution – sections 26(1)(k)(ii) and 86 of the Act. Section 86 of the Act requires the annual report, annual financial statements, and notice of disclosure of conflicts of interest to be presented at each AGM.*

Depending on the Club's operating expenditure, it may need to have its financial statements audited or reviewed annually. These audited or reviewed accounts must be notified to the members at each AGM.

Statements must be audited for:

- a non-charity, if in each of the two preceding accounting periods, the total operating payments of the Club and all entities it controls (if any) is \$3M or more (see Rule 16, Incorporated Societies Regulations 2023); and
- a charity if it is 'large', if in each of the 2 preceding accounting periods, the total operating expenditure of the Club and all entities it controls (if any) is \$1.1M or more. If it is not 'large' but in each of the two preceding accounting periods the total operating expenditure of the Club and all entities it controls (if any) is \$550,000 or more, the charity is 'medium' and must have their financial statements audited or reviewed by a qualified auditor. (See sections 42C, 42D, Charities Act 2005).

Additionally, section 106 of the Act requires the auditor to report to members on the audited financial statements.

Rule 10.11 Quorum

MANDATORY RULE: *The quorum for general meetings is required to be in your constitution – section 26(1)(k)(vii) of the Act.*

As a general guide, the quorum for a General Meeting of a Club should be at least 25% of the voting members. If the meeting can be held online or hybrid of in person/online, this may encourage more attendees (see Rule 10.3 which allows for online general meetings).

If you allow for voting by proxy, post or electronic means, it is mandatory to include whether the quorum takes into account members present by proxy or casting postal votes or votes by electronic means. The Template rule provides options for these to be completed.

Rule 10.14

MANDATORY RULE: *When minutes are required to be kept must be in your constitution – section 26(1)(k)(iii) of the Act. A society must ensure minutes of its AGM are kept – section 84(3)(b) of the Act.*

Rule 10.20 Method of Voting

MANDATORY RULE: *Voting procedures of your club are required to be in your constitution – section 26(1)(k)(vii) of the Act.*

the Template includes an option to include electronic voting (i.e. voting by email or other online or electronic method). It must be included in the Constitution to be permitted. Electronic voting does not include voting at an online meeting, as this is deemed to be voting in person.

Rule 10.21 Proxies

If you allow proxy voting, it is mandatory to include procedures for proxies in your constitution – section 26(1)(k)(vii) of the Act.

proxy voting allows Members who can't attend a General Meeting the ability to appoint another member to speak / vote on their behalf. Virtual meetings are increasingly used so the inclusion of proxies may not be necessary. Care should be taken in allowing proxies, as there is the risk of people collecting proxies and using them to leverage the vote in a certain way. It is not usual for proxies to be used in small societies. Ideally you want people to be present and to have the benefit of any discussion before exercising a vote.

If proxy voting is permitted, you will need to specify whether the quorum includes proxy voting in Rule 10.11. There are two types of proxies – a general, where the person you appoint can act in their discretion when voting on resolutions, and a specific, where you direct the person to vote on resolutions in a specific way for you. Include the last sentence in this rule if it is a specific proxy. The Template provides a recommended rule for proxies if you decide to permit them.

Rule 10.24 Resolutions Outside of Meetings – the Act (section 90) allows for resolutions of the members to be made outside of a General Meeting only if the Constitution states how they may be passed, and the strict requirements of the Act are met. The proposed resolution (under section 89) must be:

- dated with the date on which the proposed resolution is first sent to a person entitled to vote for the purpose of approval (the circulation date);
- sent to an address for each person who is entitled to vote (which could be an email or physical address);
- as far as is reasonably practicable, be sent on the circulation date; and
- state that the proposed resolution lapses if it is not passed within 3 months (or any shorter period provided in the constitution) after the circulation date.

The Club must send a copy of the resolution to all those entitled to vote who did not approve the resolution and on whose behalf the resolution was not approved within 5 working days after a resolution is passed.

Under the Act, a 75% or higher majority of the Voting Members is required to pass these resolutions. The Template provides for these resolutions, but they are optional to include.

RULE 11 – FINANCIAL MATTERS

MANDATORY RULE: *How the society will control and manage its finances is required to be in your Constitution – section 26(1)(h) of the Act.*

Rule 11.3 [Audit or Review] of Financial Accounts - See the guidance at Rule 10.6 above regarding whether financial statements are required to be audited or reviewed. Include or amend this rule as applicable.

Rule 11.4 No personal benefit

MANDATORY RULE: *This rule is required by the IRD for sports clubs and charities seeking an income tax exemption. See [IRD Guidance](#).*

RULE 12 – AMENDMENTS TO THE CONSTITUTION

MANDATORY RULE: *Method by which the Constitution may be amended is required to be in your Constitution – sections 26(1)(i) 30 and 31 of the Act.*

Rule 12.3 Pecuniary profits

MANDATORY RULE: *This rule is required by the IRD for sports Clubs and charities seeking an income tax exemption.*

Rule 12.4 Minor Errors - This rule reflects section 31, of the Act. You can choose to include this rule, or simply rely on having the ability to make minor/technical amendments under the Act.

Rule 11.5 Indemnity and insurance - Sections 94 – 98 of the Act regulates indemnities for officers, members and employees and allows for the Club to take out insurance.

The Committee may wish to consider the use of specific indemnity insurance and seek specialist advice on the suitability and extent of insurance cover.

RULE 13 - REGULATIONS

For procedures at the Club which may need to be changed more regularly than the Constitution, or to set out the procedure to implement a rule in the Constitution, regulations may be appropriate, for example for disciplinary procedures. Regulations are binding on members just like the Constitution and can be adopted by the Committee, if they are not inconsistent with the Constitution. To protect the members from a Committee overreaching by using Regulations, the Template provides the ability for Members to revoke regulations by Special Majority at a General Meeting or a Resolution Outside of a Meeting.

RULE 14 - LIQUIDATION AND DISSOLUTION

MANDATORY RULE: *Nomination of a not-for-profit, or class/description of not-for-profit entities to which surplus assets should be distributed to on a wind-up is required to be in your constitution – section 26(1)(i) of the Act.*

This rule sets out the procedures should the Club be liquidated or dissolved (formerly referred to as wound up).

Rule 14.1 Notice – the Template refers to a notice under the Act (section 228). The Act requires the Committee to send the written notice to every Member at least 20 working days before the General Meeting at which a resolution is to be submitted. The notice must state:

- the time and place of the meeting;
- the nature of the business to be transacted at the meeting in sufficient detail to enable a member to form a reasoned judgement in relation to it;
- the text of the resolution;
- the right of a member to appoint a proxy or to cast a vote by post or electronic means (in all cases, if the society's constitution allows); and
- for a resolution under section 216(1)(c) (disposing surplus assets), a statement confirming that the Committee has had regard to the society's purposes.

Rule 14.2 Majority Required - under the Incorporated Societies 1908 Act resolutions passed at two meetings were required to wind up the Club. However, the 2022 Act only requires one meeting. Given the serious nature of this decision, a higher threshold of 75% (rather than a Special Majority of 2/3rds) is recommended.

Rule 14.3 Surplus Assets – it is mandatory to include the body, or a description of the body, to which any surplus assets will be given if the Club is liquidated or dissolved. The Club could insert a specific body (such as the name of the applicable LTO (if any) or applicable RTO) or describe a body (such as a society with similar purposes to those of the Club). There is also guidance from the IRD on the wording of this rule at <https://www.ird.govt.nz/roles/not-for-profits-and-charities/before-you-start/rules-wording>.

If the Club is a charity, different wording is required by the IRD and Charities Services to comply with the Charities Act 2005. See <https://www.ird.govt.nz/roles/not-for-profits-and-charities/before-you-start/rules-wording> and <https://www.charities.govt.nz/ready-to-register/need-to-know-to-register/charitable-purpose-and-your-rules/>. In this case, Rule 30.4 in the Template should be replaced with the following:

The surplus assets of the Club after the payment of all costs, debts, and liabilities, shall be given or transferred to [name of not-for-profit Club] with charitable status or any other not-for-profit entity which is exclusively charitable that shares similar charitable purposes to the Club.

RULE 15 – COMPLAINTS AND DISPUTES

MANDATORY RULE: *Procedures for resolving disputes, including providing for how a complaint may be made, are required to be in your constitution – sections 26(1)(j) 38 to 44 of the Act.*

The rules in the Template are based on the template rules recommended for Clubs by Sport NZ and align with those of TNZ, and the template constitutions for LTPs and RTOs. The effect of these rules is that if there is a rule in any applicable constitution or any regulation, the process for managing complaints and resolving disputes in those constitutions or regulations will apply. It is only where there are no such rules, that the procedure in the Template would apply.

RULE 16 SUSPENSION, SANCTIONS AND TERMINATION OF MEMBERSHIP

Rule 16 sets out how a member may be suspended, terminated, or have sanctions imposed and the consequences of doing so. If any of these rules apply, it means that in addition to the Club, the individual's membership of the LTP (if applicable), RTO and TNZ is also automatically suspended,

terminated or ended (as applicable). It is therefore important that the wording in the Template is used.

Rule 16.3 Re-instatement: This rule is recommended to allow a person to be reinstated to membership.

RULE 17 – SUSPENSION AND REMOVAL OF COMMITTEE MEMBERS

Rule 17.1 Suspension of Committee Member / Rule 17.2 Removal of Committee Member – it is mandatory for the grounds of removal for Committee Members to be in your constitution. The ability to suspend a Committee Member is also recommended.

RULE 18 – MATTERS NOT PROVIDED FOR

This is a recommended rule so there is a catch all in the event a matter arises which is not provided for in the Constitution.

RULE 19 – TRANSITION

A transition rule is recommended to facilitate the transition of the Club from the previous constitution to the new one. There may be some rules which do not come into effect when the Constitution is first adopted, or which vary from the terms in the new Constitution for a transition period. An example might include the Committee. If the new constitution results in a change to the composition of the Committee but the Constitution is adopted at an SGM when the existing Committee is midway through its term, this rule could state that the existing Committee remains in force until the next AGM.

RULE 20 - DEFINITIONS AND INTERPRETATION

Rule 20.1 sets out the meaning of words which start with an initial capital letter in the Constitution (and in these Guidance Notes). Rules 20.2 and 20.3 are optional clauses but are recommended to include to assist in the interpretation of the Constitution.

APPENDIX 1: RULE 3.1 – CATEGORIES OF MEMBERS – SAMPLE TEXT

All clubs will have their own categories of membership.

The below text is provided by way of example of what could be included at Rule 3.1.

3.1 Categories of Members: *The Members of the Club are:*

The following voting members:

- a. **Full Members:** *individuals who have the right of Access to any Tennis Courts and Associated Facilities of the Club for a period between 6 to 12 months in a year, and other rights and benefits, as specified in this Constitution. Full Members are divided into the following sub-categories:*
 - i. **Senior Members:** *individuals 18 years of age or older on 1 October in the year of application for membership. Senior Members have the right to vote at General Meetings as Voting Members, as set out in this Constitution.*
 - ii. **Junior Members:** *individuals under 18 years of age on 1 October in the year of application for membership. Junior Members do not have the right to vote at General Meetings, but their parent/guardian does as a Parent/Guardian Member.*
- b. **Part Time Members:** *individuals who have the right of Access to any Tennis Courts and Associated Facilities of the Club for a period between 3 to 6 months in a year (such as seasonal or summer memberships), including on a regular or fixed period basis, and other rights, as specified in this Constitution. Part-Time Members do not have the right to vote at General Meetings.*
- c. **Life Members:** *individuals who have been granted Life Membership in recognition and appreciation of their outstanding service to the Club. Any Member may nominate an individual to become a Life Member by giving notice to the Committee setting out the grounds for the nomination. The Committee shall then determine whether the nomination should be forwarded to a General Meeting for determination by the Members. A person may only be elected as a Life Member by a [Majority/ Special Majority] vote in their favour at a General Meeting. A person consents to becoming a Life Member on acceptance of their life membership. Life Members have the right attend, speak and vote at General Meetings; to access any Tennis courts of the Club and to access its associated facilities, and other rights and benefits at the Club, as decided by the Committee.*

(Voting Members).

The following non-voting members:

- a. **Individual Casual Members:** individuals who have the right of Access to any Tennis Courts and Associated Facilities of the Club to play Tennis, as per the product they have purchased – for example, a BookaCourt session, including on a one-off, casual, fixed period or irregular basis, and other rights, as specified in this Constitution. Individual Casual Members do not have the right to vote at General Meetings.
- b. **Non-Playing Members:** individuals who do not have the right of Access to any Tennis Courts at the Club but do have the right to access associated facilities of the Club, and other rights and benefits, for a fixed 12-month period, as specified in this Constitution. Non-Playing Members do not have the right to vote at General Meetings.
- c. **Parent/Guardian Members:** individuals who are the parents or guardians of a Junior Member, or of a Part Time Member, or an Individual Casual Member who is under 18 years of age on the date they apply to become a Member, is required to become a Member of the Club. A Parent/Guardian Member of a Junior Member has the right to vote at General Meetings, and other rights, as specified in this Constitution. Parent/Guardian Members of Part Time Members and Individual Casual Members do not have the right to vote at General Meetings (unless they are a Full Member, Part-Time Member in their own right). Parent/Guardian Members do not have the right of Access to any Tennis Courts of the Club (unless they are a Full Member, Part-Time Member or Individual Casual Member in their own right) but have the right to access its associated facilities, and other rights and benefits at the Club, as decided by the Committee.
- d. **Coach Members:** individuals who, with the prior written agreement of the Committee, have the right to coach Members at the Club for a period decided by the Committee, if they are not otherwise Full Members, Part-Time Members or Individual Casual Members. Coach Members have the right of Access to any Tennis Courts and its Associated Facilities of the Club for the purposes of coaching only and in accordance with the written agreement with the Club, and do not have rights to play at the Club, unless they are a Full Member, Part Time Member or Individual Casual Member.
- e. **Club Appointed Personnel:** individuals who have been elected or appointed to a position with authority and responsibilities at the Club for the period of their appointment and includes the Officers, Committee members, Club administrator, tournament officials, employees. Club Appointed Personnel do not have the right to vote at General Meetings; do not have the right of Access to any Tennis Courts of the Club (unless they are a Full Member, Part-Time Member or Individual Casual Member) but do have the right to access its associated facilities, and other rights and benefits at the Club, as decided by the Committee.

(Non-Voting Members).

APPENDIX 2. RULE 4.2: OFFICERS' DUTIES

4.2 An Officer:

- a. *when exercising powers or performing duties as an Officer, must act in good faith and in what the Officer believes to be the best interests of the Club;*
- b. *must exercise a power as an Officer for a proper purpose;*
- c. *must not act, or agree to the Club acting, in a manner that contravenes the Act or this Constitution;*
- d. *when exercising powers or performing duties as an Officer, must exercise the care and diligence that a reasonable person with the same responsibilities would exercise in the same circumstances, taking into account, but without limitation the nature of the Club, the nature of the decision and the position of the Officer and the nature of the responsibilities undertaken by them;*
- e. *must not agree to the activities of the Club being carried on in a manner likely to create a substantial risk of serious loss to the Club's creditors or cause or allow the activities of the Club to be carried on in a manner likely to create a substantial risk of serious loss to the Club's creditors;*
- f. *must not agree to the Club incurring an obligation unless the Officer believes at that time on reasonable grounds that the Club will be able to perform the obligation when it is required to do so; and*
- g. *when exercising powers or performing duties as an Officer, may rely on reports, statements, and financial data and other information prepared or supplied, and on professional or expert advice given, by any of the following persons:*
 - i. *an employee whom the Officer believes on reasonable grounds to be reliable and competent in relation to the matters concerned;*
 - ii. *a professional adviser or expert in relation to matters that the officer believes on reasonable grounds to be within the person's professional or expert competence; or*
 - iii. *any other Officer or subcommittee of Officers on which the Officer did not serve in relation to matters within the Officer's or subcommittee's designated authority,*

if the Officer acts in good faith, makes proper inquiry where the need for inquiry is indicated by the circumstances, and has no knowledge that the reliance is unwarranted.