

VETERINARY PROFESSIONAL INSURANCE SOCIETY INCORPORATED

EXPLANATORY NOTE

PROPOSED AMENDMENTS TO CONSTITUTION

BACKGROUND

1. In light of the recent changes brought about by the Incorporated Societies Act 2022 (**the Act**), Veterinary Professional Insurance Society Incorporated (**VPIS**) seeks to bring VPIS' Constitution (**Constitution**) in line with the new Act and continue to improve its Constitution to further VPIS' function as a licensed insurer.

PRIMARY AMENDMENTS

2. The primary amendments proposed to be made to the Constitution concern the makeup of the Board and include the following:
 - a. Adjustment to the proportion of possible elected to co-opted members of the Board to a maximum of 7 elected Board Members to further promote flexibility of Board composition while ensuring the Board remains an appropriate size and can maintain the necessary level of independence;
 - b. Removing the requirement that one Board Member be appointed by the Association of Rural Veterinary Practices Incorporated, now operating as the New Zealand Vet Club Association Incorporated (212699) (**Vet Club**) to allow a greater level of independence.
 - c. Adjusting the nine-year cap within any 15 year period for the length of time that a Board Member can serve on the Board in the sole case of a current member appointed by the Vet Club. The Member will be able to serve a longer term until 30 September 2024 to allow continuity in governance experience and leadership.
 - d. Adjusting the length of term for the current Chairperson and Secretary of the Board with their terms now ending 30 September 2025. This will allow continuity in governance experience and leadership.
 - e. Explaining that Members' names and cessation date will be retained on the Register of Members for seven years after they cease being a member, as required under the recently released Incorporated Societies Regulations 2023.
 - f. Inserted a rule to allow for the passing of resolutions in lieu of general meetings upon approval of 75% of Voting Members.
3. The Board considers these amendments are necessary and appropriate in the circumstances.

CONSEQUENTIAL AND OTHER AMENDMENTS

4. Minor changes made to the Constitution relate to statutory pinpoint references to ensure accuracy, and updated internal cross-references as a result of the insertion of rule 29 in respect of resolutions in lieu of general meeting, and include the following:

- a. Reference to “section 42” in rule 16.1.5 amended to “section 47(3)”.
- b. Reference to “section 22(3)” in rule 18.2 amended to “section 23”.
- c. Reference to “section 58(1)” in rule 24.4 amended to “section 64(1)”.
- d. Reference to “section 56” in rule 32.1.1 amended to “section 62”.
- e. Reference to “29 to 32” amended to “30 to 33” in rules 11.1.3, 16.1.6 and 32.2.6.
- f. Reference to “30.2” amended to “31.2” in rule 31.5.
- g. Reference to “31.2 or 31.3” amended to “32.2 or 32.2” in rule 32.4.
- h. Reference to “30.2” amended to “31.2” in rule 32.4.
- i. Reference to “35.4.3a” amended to “36.4.4a” in rule 36.4.4.b.
- j. Reference to “35.4.3b” amended to “36.4.4b” in rule 36.4.4.c.
- k. Reference to “38.1” amended to “39.1” in rules 39.2 and 39.3.