



**association of  
consulting and  
engineering**

# ACE NEW ZEALAND BOARD CHARTER

## Purpose

On behalf of the key stakeholders, the Board of ACE New Zealand is responsible for the stewardship and future wellbeing of the organisation. Directors should exercise leadership, enterprise, integrity, and judgement in directing the organisation to assure its continuing and lasting prosperity.

In discharging their responsibilities directors must act in the best interests of ACE New Zealand as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations. Directors' first duty and commitment must be to the legal entity.

In summary, the Board:

1. Provides leadership to ACE New Zealand, ensuring that it achieves continuing prosperity in the best interests of ACE New Zealand and its stakeholders.
2. Takes active steps to ensure an appropriate mix of directors, whether through interaction with key stakeholders resulting in the election of appropriately skilled personnel or through the appointment of such individuals.
3. Establishes ACE New Zealand's vision, purpose, values and sets the strategic direction as the basis for further planning, e.g., annual and longer-term planning.
4. Determines the appropriate culture for ACE New Zealand and models behaviours that both reflect and facilitate the desired culture.
5. Establishes governance policies that provide the framework for the management of ACE New Zealand, e.g., financial, human resource, asset management policies, and ensures that internal processes and procedures are designed to provide adequate controls and serve as the basis for reporting to the Board as required.
6. Employs the Chief Executive and monitors management and organisation performance against Board-established criteria.
7. Identifies and monitors the management of organisational risks.
8. Ensures that the organisation complies with all internal and externally imposed compliance requirements.

9. Establishes and maintains effective relationships with stakeholders.

## Responsibilities of the Board of directors

### 1. Meeting legal requirements

The Board's first duty is to the legal entity. In meeting this duty directors must ensure that all legal obligations under the relevant Acts are met and that the entity is protected from harmful situations and circumstances in the interests of current and future stakeholders.

The Board also has a responsibility to its various stakeholders to ensure that the available resources are used to deliver the 'right outcomes' to the 'right people' in the 'right way'.

In particular directors have the following legal obligations:

- A director must exercise a power for a proper purpose.
- A director must not act, or agree to the organisation acting, in a manner that contravenes relevant Acts or the rules of the organisation.
- A director must not agree to the business of the organisation being carried on in a manner likely to create a substantial risk of serious loss to the organisation's creditors.
- A director must not agree to the organisation incurring an obligation unless the director believes at that time on reasonable grounds that the organisation will be able to perform the obligation when it is required to do so.
- A director, when exercising powers or performing duties as a director, must exercise the care, diligence, and skill that a reasonable director would apply in the same circumstances.
- A director, when exercising powers or performing duties as a director, may rely on reports, statements, and financial data and other information prepared or supplied, and on professional or expert advice.
- A director must, immediately after becoming aware of the fact that they are interested in a transaction or proposed transaction with the organisation, cause this to be entered in the interests register.
- A director who has information in his or her capacity as a director or employee of the organisation, being information that would not otherwise be available to them, must not disclose that information to any person, or make use of or act on the information, except

(a) for the purposes of the company; or

(b) as required by law.

Directors, either individually or collectively, are potentially liable if they act illegally or negligently.

### 2. Governance philosophy and approach

The Board will govern ACE New Zealand with an emphasis on:

- serving the legitimate collective interests of the present members of ACE New Zealand and accounting to them for the performance of ACE New Zealand and the Board's stewardship;
- remaining up to date in terms of key stakeholders' concerns, needs and aspirations

- developing a future focus rather than being preoccupied with the present or past;
- providing leadership in the exploration of strategic issues rather than becoming distracted by administrative detail;
- behaving proactively rather than reacting to events and others' initiatives;
- bringing a diversity of opinions and views to bear on its decisions;
- the development and expression of collective responsibility for all aspects of the organisation; and
- Ensure there are favourable conditions for the motivation of the Chief Executive and that there is adequate training to support them in their role.

### 3. Other

The Board will perform such other functions as a prescribed by law or assigned to the Board under ACE New Zealand's governing documents.

## Expectations of directors

To execute these governance responsibilities, directors must, so far as possible, possess specific characteristics, abilities and understandings:

### 1. Enacting legal duties

Directors must fulfil their fiduciary duty to act lawfully and in ACE New Zealand's best interest at all times regardless of personal position, circumstances or affiliation. They should be familiar with ACE New Zealand's constitutional arrangements.

### 2. Strategic orientation

Directors should be future-oriented, demonstrating vision and foresight.

### 3. Integrity and accountability

Directors must demonstrate high ethical standards and integrity in their personal and professional dealings and be willing to act on - and remain collectively accountable for - all Board decisions and speak with one voice on all policy and directional matters.

### 4. Informed and independent judgement

Each director must have the ability to provide wise, thoughtful counsel on a broad range of issues.

### 5. Financial literacy

Directors are jointly accountable for the financial performance of the organisation; therefore, all directors must be financially literate.

### 6. Industry and sector knowledge

Each director is expected to bring or acquire a level of industry and sector knowledge sufficient to contribute to the Board's deliberations and considerations on behalf of the organisation and its owners.

## 7. Participation

Each director is expected to enhance the Board's deliberations by actively engaging in valueadding Board dialogue and decision-making.

# Governance process policies

## Code of ethics

The Board is committed to the adoption of ethical conduct in all areas of its responsibilities and authority.

Directors will:

1. Act honestly and in good faith and honesty at all times in the best interests of ACE New Zealand as a whole.
2. Declare all interests that could result in a conflict between personal and organisational priorities.
3. Exercise diligence and care in fulfilling the functions of the office.
4. Make reasonable enquiries to ensure that ACE New Zealand is operating efficiently, effectively, legally and ethically in the pursuit of its planned outcomes and strategies.
5. Maintain sufficient knowledge of ACE New Zealand's business and performance to make informed decisions.
6. Not agree to ACE New Zealand incurring obligations unless they believes that such commitments can be met as and when they fall due.
7. Attend Board meetings and devote sufficient time to prepare for Board meetings to allow for full and appropriate participation in the Board's decision making.
8. Ensure scrupulous avoidance of deception, unethical practice or any other behaviour that is, or might be construed as, less than honourable in the pursuit of ACE New Zealand's business.
9. Not disclose to any other person confidential information other than as agreed by the Board or as required under the law.
10. Act per their fiduciary duties, complying with the spirit as well as the letter of the law, recognising both the legal and moral responsibilities of the role.
11. Abide by Board decisions once reached notwithstanding a director's right to pursue a review or reversal of a Board decision.
12. Not to make, comment, issue, authorise, offer or endorse any public criticism or statement having or designed to have an effect prejudicial to the best interests of ACE New Zealand.
13. Demonstrate respectful behaviour towards both colleagues, management and those they come into contact within the course of enacting Board business.

The Board will:

14. Make every reasonable effort to ensure that ACE New Zealand does not raise community, supplier or stakeholder expectations that cannot be fulfilled.
15. Meet its responsibility to ensure that all staff employed by ACE New Zealand are treated with due respect and are provided with a working environment and working conditions that meet all reasonable standards of employment as defined in relevant workplace legislation.
16. Carry out its meetings in such a manner as to ensure fair and full participation of all directors.

### Strategic direction and planning

An essential element in the Board's leadership role is its responsibility to establish a Strategic Plan for ACE New Zealand. Accompanying this is an ongoing obligation to identify organisational priorities, monitor progress towards the achievement of the stated outcomes and approve the annual budget. Accordingly, the Board will annually:

1. In partnership with management, establish and review ACE New Zealand's Purpose, Key Results and governance-level strategies.
2. Review business plans to ensure alignment with the Statement of Strategic Direction, priorities and strategies.
3. Schedule a programme of strategic dialogue at Board meetings that reflects the priorities as defined by the Board and creates opportunities for the Board and management to think strategically about future issues relevant to ACE New Zealand's wellbeing and success.

### Financial governance

The Board has a core duty to ensure the financial integrity and viability of ACE New Zealand. This entails oversight of all financial processes and systems, regular review of financial results and, annually, approving ACE New Zealand's budget and financial announcements. Accordingly, the Board will:

1. Develop, review and monitor the implementation of governance-level financial policies.
2. Guide budget parameters and priorities and approve the annual budget.
3. Approve expenditure outside budget parameters that the Board determines to be material.
4. Review and approve the full-year financial statements, reports and outcomes.
5. Review and approve regularly scheduled financial statements and reports, i.e. for each Board meeting or at the Board's request.

### Conflict of interests

The Board places great importance on making clear any existing or potential conflicts of interest for directors.

1. Any business or personal matter which could lead to a conflict of interest of a material nature involving a director and their role and relationship with ACE New Zealand must be declared and registered in the Register of Interests.

2. All such entries in the Register will be presented to the Board and minuted at the first Board meeting following entry in the records.
3. All conflicts of interest must be declared by the director concerned at the earliest time after the conflict is identified. Typically, there will be the opportunity at the commencement of each Board meeting for conflicts of interest to be declared.
4. The Board will determine whether or not the conflict is material and will advise the individual accordingly.
5. Where a conflict of interest is identified, and the Board has declared that it is of material benefit to the individual or material significance to the organisation, the director concerned will not vote on any resolution relating to that conflict or issue.
6. The director will only remain in the room during any related discussion with Board approval.
7. The Board will determine what records and other documentation relating to the matter will be available to the director.
8. All such occurrences will be minuted.
9. Individual directors, aware of a real or potential conflict of interest of another director, have a responsibility to bring this to the notice of the Board.

### Health and safety at work

The Board has a core duty to ensure that all relevant elements in the Health and Safety at Work 2015 Act are met. Accordingly, the Board will:

1. Ensure that all directors understand and discharge their duties and responsibilities under the Act.
2. Ensure that robust systems are designed so that the Board will receive regular information in the form of written and verbal reports necessary to exercise its duties under the Act.
3. Verify that records are maintained in a timely and accurate fashion enabling tracking of events, trends and responses/actions.
4. Understand the hazards and risks that employees and volunteers are, or might be, exposed to in carrying out their duties.
5. Design a system that ensures that all directors have the opportunity of personal exposure to
6. workplace processes where there is exposure to risk.
7. Annually undertake a formal assessment of compliance with directors' duties and responsibilities under the Act.
8. Ensure that budget planning takes account of all requirements under the Act.

### Risk management

The Board will identify and evaluate the principal risks faced by ACE New Zealand and ensure that appropriate systems are in place to avoid or mitigate these risks, including the protection of intellectual capital. Accordingly, the Board will:

1. Engage actively in characterising and monitoring risks associated with the achievement of its overall objectives.
2. Ensure that robust risk management policies and processes are developed and monitored addressing all areas of organisational risk and that the Board is kept abreast of all critical corporate risks areas and strategies promptly.

3. Develop a 'risk aware' culture in which both directors and staff are encouraged to identify risks and respond to them quickly and effectively.
4. Make clear the processes required to enable it to keep abreast of all organisation risk areas.
5. Ensure that proper internal controls are in place and are enacted and monitored to ensure effective and efficient operation and management of the organisation's resources.
6. Ensure that the organisation is governed and managed under its rules and policies.
7. Ensure that proper accounting records are kept.
8. Ensure prompt investigation of any material shortfalls or breaches in compliance or risk management standards.

### **Board committees and working parties**

The Board may establish committees and working parties to support it in its governance work. The work of committees and working parties should not conflict with the Chief Executive's delegated responsibilities.

1. Committees and working parties will have Terms of Reference defining their role, life span, procedures and functions, and the boundaries of their authority, reviewed annually.
2. Committees and working parties may co-opt outside members from time-to-time to bring additional skills, experience or networks.
3. Committees and working parties will not exercise authority over staff nor will they delegate tasks to any staff unless the Chief Executive has agreed explicitly to such delegations.
4. Unless explicitly empowered by the Board, committees or working parties cannot make binding Board decisions or speak for the Board. For the most part, the function of committees and working parties, in fulfilling their role, is to make recommendations to the Board.
5. Committees and working parties will not mirror operational divisions, departments or staff functions.

### **Board meetings**

The majority of Board business will be conducted in Board meetings. To ensure effective meetings, the following principles apply:

1. The Board will make the best possible use of its meetings by dealing only with matters that have governance-level significance, by focusing primarily on the future and, within a defined policy framework, by delegating as much as possible to the Chief Executive.
2. The Board will develop a work plan covering the next 12 months that (1) ensures the Board regularly reviews progress towards the achievement of the strategic direction/strategic plan and relevant strategic issues (2) assures that all relevant compliance requirements are addressed, and (3) improves Board performance through education and continuous focus on its governance effectiveness.
3. The President will, in consultation with the Chief Executive, establish the agenda for each Board meeting. However, each director is free to suggest the inclusion of item(s) on the agenda. All directors have the opportunity to contribute to the agenda.
4. The Board will generally meet five times per year; however, Board meetings may be scheduled at other times or at other frequencies as determined by the Board.

5. Board meetings will be conducted openly and constructively, recognising that genuinely held differences of opinion can bring greater clarity and lead to better decisions.
6. Directors will receive their Board papers at least three working days before the meeting.
7. Others (e.g. staff) may participate in Board meetings at the Board's discretion. Such attendees will respect the Boards' integrity and accountability and will thus accept any constraints imposed by the Board or the President on their participation and presence.
8. The Board may hold 'Board only' sessions at its discretion. Such sessions which will usually be scheduled before or at the commencement of the meeting should not exclude the Chief Executive from deliberations on matters to which their role as the Board's chief adviser would be compromised.

## Monitoring operational performance

The Board must oversee and monitor the performance of the operational organisation.

1. The Chief Executive will report to the Board on the performance of ACE New Zealand at a frequency and a standard specified by the Board.
2. All such reporting should be targeted at the Board's interests and duties rather than a description of management actions.

## Media statements

Interaction with the media, radio, press TV and other media outlets, will at all times be designed to present an accurate and positive expression of ACE New Zealand -related matters. It will be consistent with ACE New Zealand policy and Board decisions and free from personal opinions and interpretations.

1. The President will be the spokesperson for governance-related matters, and any other issues that the Board determines are best presented by the President.
  - a. The President may permit specified Directors or staff to act on their behalf but remains accountable for such delegation.
2. The Chief Executive will be the spokesperson for all operational matters, and any other issues that the Board deems are best presented by the Chief Executive.
  - a. b. The Chief Executive may permit specified staff to act on their behalf but remains accountable for such delegation.

## Director induction

The Board will provide all newly appointed directors with an induction into the affairs of both the Board and ACE New Zealand at large.

1. All prospective directors will be provided with all relevant information.
2. Upon appointment/election and before attendance at their first Board meeting, new directors will:
  - a. Receive a copy of the Board Manual including Governance policies, Articles/Rules and other relevant legal governance documentation, current and recent meeting papers,



an organisational chart, contact details for other directors and key staff, a glossary of key terms, definitions and acronyms, and the current year's meeting schedule.

- b. Meet with the President for a governance familiarisation. This meeting may be held as a group session or with individuals.
- c. Meet with the Chief Executive for an operational familiarisation.

### **Board and director performance assessment and professional development**

The Board's value-adding role requires that the Board as a whole and all directors regularly review their performance and have access to professional development relevant to the role and duties of directorship.

1. The Board will review its effectiveness and the performance of individual directors at least every two years.
  - a. The criteria for assessing the Board's performance will be drawn from the documented policies of the Board together with any further criteria agreed by the Board from time-to time. The outcomes of the assessment will establish the upcoming requirements for the effective governance and Board leadership of the organisation.
  - b. A suitably qualified independent specialist may be used to assist the Board in this process.
2. All directors will be encouraged to undertake relevant professional development, including attendance at conferences related to their role as directors or conferences on other aspects of their directorship of ACE New Zealand. ACE New Zealand may contribute to the costs associated with this activity.
3. All costs associated with governance effectiveness will be designed to ensure the development of the highest standard of governance including; meeting costs associated with effective communication with members and other key stakeholders, surveys and associated analysis, focus groups, the costs associated with external audit and other independent third-party reviews or consulting input.

### **Presidents role**

The President provides leadership to the Board, ensuring that the Board's processes and actions are consistent with its policies. As appropriate, the President represents the Board and the organisation to outside parties. It is expected that the President will promote a culture of stewardship, collaboration and co-operation, modelling and promulgating behaviours that define sound directorship.

1. The President will chair Board meetings, ensuring that:
  - a. Meeting discussion content is confined to governance matters as defined in the Board's policies.
  - b. All directors are treated even-handedly and fairly.
  - c. All directors are encouraged and enabled to contribute to the Board's deliberations.
2. The President has no authority to change any aspect of Board policy unilaterally.
3. The President will ensure that Board meetings are adequately planned including the development and distribution of Board papers promptly and that the minutes accurately reflect the deliberations and decisions of the Board.

4. The President is responsible for ensuring that Board meetings are focused on the right matters and that time is allocated to apply sufficient attention to those.
5. The President will ensure that all Board decisions are understood by directors and accurately recorded.
6. With the approval of the Board, the President may establish a regular communication arrangement with the Chief Executive in which there is an exchange of information. This might also provide an opportunity for the Chief Executive to use such sessions as a sounding board for proposed actions or to check interpretations of Board policy. However;
  - a. The President will recognise that such sessions are not used to 'personally' supervise or direct the Chief Executive.
  - b. The President will maintain an appropriate professional distance from the Chief Executive to ensure objectivity and attention to governance matters and concerns,
  - c. The President will not inhibit the free flow of information to the Board necessary for sound governance. Therefore, the President will never come between the Board and its formal links with the Chief Executive.
7. The President may delegate aspects of the authority accompanying the position but remains accountable for the overall role.

### Indemnities and insurance

ACE New Zealand will provide directors with and will pay the premiums for, indemnity and insurance cover while acting in their capacities as directors, to the fullest extent permitted by the relevant legislation.

### Reimbursement of directors' expenses

ACE New Zealand will reimburse all reasonable expenses incurred by directors in the carrying out of their role.

## Board-Chief Executive interrelationship policies

### Delegation to the Chief Executive

The Board delegates to the Chief Executive responsibility for delivering the outcomes stated in its Strategic Plan while complying with the Chief Executive Delegation policies.

1. The Chief Executive is the sole linkage and point of accountability between the Board and the operational organisation.
2. The Board will view Chief Executive performance as identical to total management performance so that the achievement of successful organisation outcomes will be regarded as successful Chief Executive performance.
3. Only the Board acting as a body can instruct the Chief Executive. Typically, all instruction to the Chief Executive will be codified as policy.
4. The Board will make clear ACE New Zealand's strategic direction, including performance indicators to be applied by the Board when reviewing the organisation's and the Chief Executive's performance.

5. The Board will make clear to the Chief Executive in writing the conditions and circumstances that the Board deems to be unacceptable, allowing the Chief Executive any reasonable interpretation of these (further defined in the Chief Executive Authority policy).
  - a. As the Board's principal officer, the Board holds the Chief Executive accountable for ensuring that all such conditions and circumstances are avoided.
6. The Chief Executive is responsible for the employment, management and performance management of all staff employed/contracted to the organisation.
  - a. Neither the Board nor individual directors will 'instruct' staff in any matters relating to their work.
7. Provided that the Chief Executive achieves the outcomes sought by the Board and does so in a manner consistent with the Board's policies and ACE New Zealand's values, the Board will respect and support the Chief Executive's choice of actions.
8. The expert knowledge and experience of individual directors is available to the Chief Executive at their initiative.

### Chief executive authority

1. As long as the Chief Executive applies 'any reasonable interpretation' of the Board's policies, i.e., does not set out to defeat their stated intent or spirit, they are authorised to establish all operational policies, make all operational decisions and design and implement and manage all operational practices and activities.
2. Acknowledging a director's right to have access to information necessary to meet their duty of care to the organisation, the Chief Executive may refuse instructions or requests from individual directors or unofficial groups of directors if, in their opinion, such requests or instructions are:
  - a. Inconsistent with the Board's policies;
  - b. are deemed to make unjustifiable intrusions into the Chief Executive's or other staff members' time; or
  - c. are an unjustifiable cost to the organisation.
3. The Chief Executive must notify the President of the use of point 2.

### Chief executive remuneration

The Board will decide Chief Executive remuneration based on terms and conditions that reflect the organisation's performance and executive market conditions.

1. Remuneration will be competitive with similar performance within the marketplace based on achievement of the Board's strategic direction and strategic goals while complying with the Chief Executive Delegation Policies.
2. A committee process may be used to gather information and to provide options and recommendations for the Board for its consideration and decision.

### Chief executive performance assessment

The Chief Executive's performance will be continuously, systematically and rigorously assessed by the Board against the achievement of the Board-determined strategic outcomes and compliance

with Chief Executive Delegation policies. The Board will provide regular performance feedback to the Chief Executive.

1. Organisation performance will be defined in terms of the Board's policy criteria and as identified through monitoring those criteria.
2. The standard applied to all facets of the performance assessment will be that the Chief Executive has met or can demonstrate compliance with the intent or spirit of the Board's policies.
3. The Board will monitor any policy at any time using any method. Still, it will typically base its monitoring on a predetermined schedule outlining the regularity and method of monitoring for each policy.
4. The Board will use any one or more of the following three methods to gather information necessary to ensure Chief Executive compliance with Board policies and thus to determine its satisfaction with that person's performance:
  - a. Chief Executive reporting,
  - b. Advice from an independent, disinterested third party, or
  - c. Obtained by a Board-appointed director, Board committee or working party.

## Chief executive delegation policies

### Overarching chief executive limitation

As the Board's principal officer, the Board holds the Chief Executive accountable for ensuring that neither they nor any organisational employees take, allow or approve any action or circumstance in the name of ACE New Zealand that is in breach of the law, is imprudent, which contradicts any organisation specific or commonly held business or professional ethic or is in violation of generally accepted accounting principles.

### Financial management

The Chief Executive is responsible for the day-to-day financial management of the organisation. In carrying out this duty they must take all reasonable steps to ensure that nothing is done, or authorised to be done, that could in any way cause financial harm or threaten the organisation's financial integrity. Without limiting this scope of the requirement, the Chief Executive must not allow situations and circumstances in which:

1. Organisational funds are committed, contracts entered into, or liabilities incurred other than for the implementation of Board-approved purposes and priorities.
2. Expenditure exceeds the revenue received in the financial year or annual budget or policy parameters unless offset by approved borrowings or Board-approved withdrawals from reserves.
3. Undisputed invoices from suppliers of goods and services remain unpaid beyond trade credit terms agreed with those suppliers.
4. Land and buildings are acquired, encumbered or disposed of.
5. Staff have access to credit or other purchasing cards without limitations on expenditure or adequate controls on their use.

## Budgeting and financial planning

Budgeting and financial planning for any financial year or the remaining part of any financial year will be designed to ensure the achievement of the Board-determined outcomes with no risk of harm to the organisation. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

1. There is too little available information to enable (a) a credible projection of revenues and expenses, (b) separation of capital and operational items, (c) projection of cash flows, and (d) disclosure of planning assumptions.
2. Financial risks are created that exceed Board-determined parameters.
3. Expenditure is incurred within any financial year that could result in a default under any of ACE New Zealand's financing agreements, or risk insolvency.
4. Could result in the achievement of a 'bottom line', materially different from that determined by the Board, e.g., a predetermined surplus, acceptable deficit or balanced budget.
5. Omits Board developmental and other governance-related expenditure.

## Remuneration and benefits

In managing the setting and review of salaries and benefits, the Chief Executive must not make or allow decisions or promises that would in any way cause or threaten financial harm to the organisation. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

1. There is any change to their remuneration or benefits.
2. Obligations are created that cannot be met over the projected period of an employee's or contractor's term of employment or over a period for which revenues can realistically be projected.
3. Unfunded employee/contractor related liabilities occur that in any way commit ACE New Zealand to unpredictable future costs that could harm the organisation.
4. Promises or offers of guaranteed long-term employment are made under circumstances when such guarantees or assurances cannot realistically be honoured.

## Protection of assets

In managing the protection of ACE New Zealand's physical and intellectual assets, the Chief Executive will take all prudent and reasonable actions necessary to ensure that these are protected against all foreseeable damaging circumstances. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

1. Unauthorised persons are permitted to handle cash.
2. Organisation funds are processed or dispersed outside of controls acceptable to the organisation's official auditor.
3. Assets are insured for less than is necessary for prudent risk-management.
4. Directors and staff are unprotected against claims of liability.

5. Goods or services are purchased without protection against conflicts of interest.
6. There is inadequate protection against theft, improper use or significant damage to intellectual property and organisation information or information systems.
7. The organisation's good name and reputation are harmed.
8. The organisation lacks a 'best-state-of-preparedness' necessary for the maintenance of effective and efficient operation in the event of a conceivable or unanticipated risk.

## Communication and support to the Board

The Board must not be allowed to be uninformed about issues and concerns, an awareness of which is essential to meeting its legal duties, discharging its moral responsibilities and meeting its accountabilities to stakeholders. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

1. The Board is uninformed about matters critical to its appropriate and effective governance of the organisation.
2. Financial reports lack adequate detail to enable the Board to interpret and assess the significance of:
  - a. significant trends;
  - a. data relevant to agreed benchmarks and Board-agreed measures; and
  - b. data and information relating to all further financial matters as determined by the Board from time-to-time.
3. The Board is placed in the position of being uninformed about significant external environmental trends, breaches of Acts relating to the organisation's performance and the Board's duties and responsibilities, significant internal issues, adverse media publicity, the achievement of, or progress towards the achievement of, the Organisational Outcomes as stated in the Statement of Strategic Direction or changes in the underlying assumptions upon which the Board's policies are based.
4. Directors are uninformed when, for any reason, there is actual or anticipated noncompliance with Board policy.
5. The Board is uninformed about health and safety in the workplace matters that fall within the directors' duties and responsibilities, or about any related matter, the Board has made clear it wishes to be informed of, including the results of all internal and external health and safety audits.
6. The Board is uninformed of any serious legal conflict or dispute or potential serious legal conflict or dispute that has arisen or might arise concerning matters affecting ACE New Zealand.
7. The Board is unaware of any occasion, action or decision that results in it being in breach of its Governance Process policies, particularly when this relates to the Chief Executive's ability to carry out their responsibilities.
8. Board members are treated as individuals rather than as part of the Board-as-a-single-entity, except when responding to individual requests for information or requests from Board committees or working parties. [See also Chief Executive Authority policy point 2]

## Emergency Chief Executive succession

The Board recognises that one of its significant risks is the loss of key personnel, particularly its Chief Executive. To this end, the Chief Executive must not neglect to ensure that there is an emergency management regime that can operate in the event of unexpected loss of his or her services. There must also be at least one person capable of responding to Board concerns and requirements at a level necessary to support effective governance.

### Employment conditions

In the management of the organisation's staff and volunteers, the Chief Executive must ensure that the workplace environment is conducive to ethical behaviour consistent with ACE New Zealand's core values, and sound workplace practices consistent with workplace legislation or its common understanding. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

1. Employees work under adverse conditions or are managed in a manner that may invite behaviour contrary to ACE New Zealand's values, or that might undermine ACE New Zealand's trust and reputation with its stakeholders.
2. There are no clear guidelines as to employee rights, entitlements and workplace obligations.
3. Employees are placed in 'inequitable', 'unsafe', 'undignified' or 'unfair' working conditions or circumstances as defined in relevant workplace legislation.
4. Employees and volunteers and others to whom ACE New Zealand owes a duty of care, are exposed to, unprotected from, or unprepared-for hazardous and risky situations or circumstances that could result in harm as specified in the Health and Safety at Work Act.
5. Staff are denied engagement in planning and review of health and safety policies and procedures.
6. Continuous improvement protocols are omitted in the design and execution of health and safety systems and processes.
7. Employees are denied the right to an approved and fair internal grievance process.
8. Employees are uninformed of their rights under this policy.

### Stakeholder engagement

In engaging with ACE New Zealand's key stakeholders, the Chief Executive must take all reasonable steps to ensure that the relationships created and maintained are in the best interest of both the organisation and the stakeholder. Without limiting this scope of requirement, the Chief Executive must not allow situations and circumstances in which:

1. The good name of the organisation is placed at risk as the result of poor quality interpersonal or inter-organisational communication.
2. Unrealistic expectations are created or implied that could cause hardship to either party, i.e. deviation from organisation policy.
3. ACE New Zealand is unaware of the expectations, needs and aspirations of critical stakeholders as these relate to the organisations' planning and programme delivery systems.
4. The Board is uninformed of any significant change in relationship status with a critical stakeholder.

## Public affairs

As the Board's principal officer, the Board holds the Chief Executive accountable for ensuring that neither they nor other organisation personnel undertakes, approve or in any way support any action or circumstances that are directly or indirectly demeaning or derogatory or in any way damaging to ACE New Zealand.

# Committee terms of reference

## Chief Executive employment committee terms of reference

### 1. Purpose

The purpose of the Committee is to assist the Board to ensure that there is a productive and positive partnership between the Board and its Chief Executive.

### 2. Membership and professional assistance

- The Committee will consist of up to three directors, one of whom will be the President.
- The Board will appoint the chair of the Committee.
- The Committee may engage professional advice and assistance as required, following a budget approved by the Board.
- The Committee's membership will be reviewed and confirmed annually.

### 3. Functions

The function of the Committee is to assist the Board to ensure that the Chief Executive has positive working conditions and receives regular performance feedback. In particular, the Committee will:

- Maintain oversight of the Chief Executive performance management philosophy and process and recommend changes to the Board as necessary.
- Establish and review the Chief Executive's Position Description and Employment Contract as required to ensure that these reflect the changing nature of the position and its requirements.
- Work with the Chief Executive to prepare an annual Chief Executive KPIs agreeable to the Board and the Chief Executive that:
  - sets out the key results that must be achieved by the Chief Executive that reflect the Board's priorities;
  - sets out any other matters requiring attention that the Board expects the Chief Executive to take direct personal responsibility for;
  - identifies any particular expectations about how the results should be achieved (including relevant behavioural considerations) that would be material to an assessment of the Chief Executive's performance;
  - specifies how the achievement of key results will be measured.
- Assist the Board to agree its satisfaction with the Chief Executive's performance by:
  - summarising the Board feedback to the Chief Executive provided throughout the year;



- gathering input from directors in response to specific performance criteria;
- collecting feedback from other stakeholders as appropriate, consistent with Board policies or plans;
- facilitating the Chief Executive's self-assessment against the same criteria as applied by the Board;
- presenting a report to the Board including relevant recommendations; and
- In addition to an annual formal assessment process, the Committee might meet with the Chief Executive half-yearly for an informal discussion about working conditions and performance issues relevant to the documented KPIs or other criteria. Typically, however, such matters would be brought to the Board as and when they arise.
- Review the Chief Executive's remuneration as required by their employment agreement and recommend adjustments as appropriate to the Board.
  - External advice might be sought to assist with this process
- In undertaking these functions, the Committee will be responsible for ensuring that the Board is engaged in appropriate steps in the process:
- to ensure that these reflect the view of the Board as a whole; and
- that the Committee's work does not compromise the accountability of the Board as a whole for the performance and successful discharge of the role of Chief Executive.