



# ENGINEERING NEW ZEALAND :: BOARD CHARTER

## PURPOSE

Engineering New Zealand is New Zealand's body for engineering professionals and the Registration Authority for chartered professional engineers.

Engineering New Zealand's key role is to support and advocate for our members. The interests of the membership are at the centre of everything we do. We want our members' experiences of Engineering New Zealand to be positive, meaningful and relevant. Our aim is to bring engineering to life, and to support our engineers in engineering a better life for New Zealanders. We do this by:

- **Connecting** the industry and society;
- Building greater **credibility** so New Zealanders have confidence and trust in the work that we do;
- Growing stronger **influence** with government and industry so we can shape and form the agenda on key issues;
- Generating greater public **recognition** for the fundamental contribution engineers make to society.

Engineering New Zealand is an Incorporated Society and governed by a Governing Board. The Governing Board is elected by Engineering New Zealand's members and is responsible for the financial performance, statutory compliance and activities of Engineering New Zealand, together with the employment of the Chief Executive.

The purpose of this Charter is to ensure the success of Engineering New Zealand by embedding sound and ethical corporate governance practices that are aligned to Engineering New Zealand's strategic goals and Code of Ethical Conduct. The Charter covers Board members' duties, conduct and behaviours, and the Board's responsibilities and processes.

# DUTIES, CONDUCT AND BEHAVIOURS

Board members owe a fiduciary duty to Engineering New Zealand. This means that Board members have a duty of care to the organisation – they must act in its best interests, and act legally and ethically in carrying out their roles and responsibilities.

These guiding principles and conduct set out some of the essential legal duties and the ethical behaviours expected from Engineering New Zealand's Board members. Board members need to be aware of, and comply with, these.

## LEGAL DUTIES

Under statute and case law, there are several important elements to a Board member's legal duties. Board members can be held legally responsible for their compliance with these duties. They include:

- complying with Health and Safety at Work Act 2015 and other relevant legislation;
- using the powers of office for a proper purpose;
- discharging duties in good faith and honestly;
- acting with the level of skill, care and diligence expected of a Board member of a major organisation;
- demonstrating commercial reasonableness in decisions;
- not making improper use of information gained through the position of Board member;
- not taking improper advantage of the position of Board member; and
- not allowing personal interests, nor the interest of any associated person, to conflict with the interests of Engineering New Zealand.

If Board members have any questions about their legal duties, they can ask Engineering New Zealand's General Counsel for clarification.

## CONDUCT

Board members represent Engineering New Zealand, and answer to its members. In addition to their legal duties, Board members must perform their roles to the highest standards, recognising that they represent the voice of the Membership. Board members must model professional and ethical behaviour at all times, inside and outside of the Board room. This includes:

- complying with the Rules and Code of Ethical Conduct;
- acting with honesty, integrity, and in the best interests of Engineering New Zealand at all times;
- understanding the business of Engineering New Zealand, its financial statements, key organisational risks, and the legal context in which Engineering New Zealand operates;
- being aware of any conflicts of interests and declaring them;
- acting consistently with, and in furtherance of, the *Objects of Engineering New Zealand*;<sup>1</sup>
- not engaging in conduct likely to bring discredit on the organisation;

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<sup>1</sup> The Objects are set out in clause 4 of the IPENZ Rules.

- supporting the Board’s decisions and serving as an ambassador and advocate for Engineering New Zealand’s work;
- fostering constructive relationships with the membership that encourage members and the wider profession to engage with Engineering New Zealand;
- seeking out, respecting, and being guided by the views and interests of Engineering New Zealand’s membership; and
- keeping up-to-date on issues of importance to engineers and engineering in New Zealand.

If a Board member requires any clarification about how they should conduct themselves when performing their duties, they can discuss this with the President, Chief Executive, or Engineering New Zealand’s General Counsel.

## BEHAVIOURS

Ethical behaviour in the boardroom is central to all aspects of good governance. In the boardroom, this means all Board members should:

- take responsibility for fostering a constructive governance culture;
- commit time and expertise to fully representing the membership and the organisation;
- be prepared for Board meetings;
- undertake diligent analysis of all proposals placed before the Board and exercise informed independent judgement;
- approach Board discussions openly and constructively, using common sense and tact when discussing issues, and recognising that genuinely held differences of opinion can bring greater clarity and lead to better decisions;
- check details, but not getting caught up in them;
- put aside personal interests for the interests of the membership and organisation; and
- take a diligent and intelligent interest in the available information so as to understand it, and apply an enquiring mind to all proposals and discussions.

## BOARD PROCESSES

### BOARD AGENDA

The Board agenda is guided by the Board’s responsibilities, as set out above. The agenda for each meeting is set by the President in consultation with the Chief Executive. Any Board member may request the addition of an item to the agenda.

### DISTRIBUTION OF BOARD PAPERS

Board papers are prepared by management and distributed electronically to Board members at least five working days prior to the meeting.

### MEETINGS

The Boards hold approximately seven meetings in person each year.

The Rules provide that the quorum for meetings of the Board is six members. Members unable to attend a meeting should advise the President and Chief Executive as early as possible.

The Board's key responsibilities include:

- approving the overall strategic direction and strategic plan;
- approving business plans and budgets to deliver the strategic plan;
- monitoring activities to ensure alignment with the strategic plan, business plans and budget;
- determining operational policies;<sup>2</sup>
- approving documents (including the Annual Report) and financial statements to meet compliance requirements;<sup>3</sup>
- protecting the organisation's financial position;
- appointing and monitoring of the performance of the Chief Executive;
- reviewing its performance, composition, structure and succession;
- determining voting processes for the Board election;
- reviewing the performance of, necessity for, and composition of Board committees;
- reviewing compliance with legal and regulatory requirements; and
- reviewing all aspects of its operation for changes to the risk profile.

Some of these are considered on a yearly cycle. At each normal meeting, the Board considers:

- governance matters;
- strategic issues and opportunities;
- an operational report by the Chief Executive;
- a financial report;
- specific proposals for capital expenditure and acquisitions;
- reports from sub-boards/committees with delegated authority; and
- any other matters that require a decision by the Board.

The Board may also be asked to note or give direction on any other issues that arise from time to time, as appropriate, including potential legal action or financial claims against Engineering New Zealand and insurance matters.

## MINUTES

Board minutes are an official record of Board meetings. They are discoverable in legal proceedings and courts will treat their context as highly relevant. Written minutes of each meeting are taken by the Board Secretary and signed off by the President. They are presented for the Board's approval at the Board's next normal meeting. Board members are expected to make sure that the contents of the minutes reflect what occurred at the meeting, including key decisions.

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<sup>2</sup> These include remuneration policies and practices, risk assessment policies and insurance cover.

<sup>3</sup> This includes audit requirements.

## **AVAILABILITY OF INFORMATION**

An official record of papers and presentations submitted to the Board is kept and made available to Board members at all times. In addition, a summary of major decisions will be made available to members of Engineering New Zealand through the Chief Executive's office.

## **MANAGING CONFLICTS OF INTEREST**

Board members have a duty to disclose to the Board any actual or perceived conflicts of interest. The Board in discussion with the Board member concerned shall, if necessary, determine how to deal with any conflict of interest.

Because a conflict of interest (actual or perceived) may be created, Board members should not generally provide paid business or professional services to Engineering New Zealand, unless authorised by the Board.

Any Board member is, while holding office, at liberty to accept other board appointments.

## **REMUNERATION**

Board members are not remunerated. However, they are reimbursed for usual and ordinary expenses incurred in connection with Board activities, in accordance with Engineering New Zealand's Expense Guidelines.

## **BOARD PERFORMANCE AND TRAINING**

The Board reviews its performance, composition, structure and succession each year. This review is arranged by the President and is aimed at reviewing the Board's processes and conduct over the preceding year to identify any improvements that should be considered, including the need for further governance training.

## **INDEMNITIES AND INSURANCE**

Engineering New Zealand provides Board members with, and pays the premiums for, indemnity and insurance cover while acting in their capacities as Board members and for the subsequent 6 years after they have completed their term of office.

## **REVIEW OF CHARTER**

The Charter will be reviewed by the Board at least every three years.