

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 vision is to bring engineering to life to engineer better lives for New Zealanders. We do this by supporting and adding value to our members, partners, the profession and public while advancing engineering.

Engineering New Zealand is an Incorporated Society and governed by a Governing Board. The Governing Board 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.

PURPOSE AND ROLE OF THE BOARD

The Governing Board:

- Appoints the Chief Executive
- Provides strategic direction for the organisation
- Leads the culture of the organisation
- Monitors the activities and outcomes of Engineering New Zealand, including services offered to members
- Drives accountability and legal compliance
- Ensures the financial success and sustainability of the Engineering New Zealand.

The Governing Board does this by bringing its collective skills and experience to the table, engaging in constructive conversation and providing support for the executive through good governance practice.

In performing the responsibilities set out above, the Board will act at all times in accordance with the vision and values of Engineering New Zealand.

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.

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 boardroom. 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;
- not engaging in conduct likely to bring discredit on the organisation;
- 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 will:

1. **Promote Ethical Governance Culture** - cultivate and uphold a culture of ethical conduct within the boardroom and throughout Engineering New Zealand.
2. **Represent membership and Engineering New Zealand** - dedicate time and expertise to effectively represent the interests of all the membership and the organisation over personal interests.
3. **Prepare for meeting** - thoroughly prepare for Governing Board meeting to contribute meaningfully to discussions and decision-making.
4. **Exercise informed, independent judgment**: analyse all proposals, exercising informed and independent judgment in the best interests of Engineering New Zealand.
5. **Engage openly and constructively** – engage in Governing Board discussions openly and constructively, using tact and common sense, acknowledging differing opinions for enhanced decision-making.
6. **Focus on important details** - attend to critical details without becoming overly absorbed in them, maintaining a strategic perspective.
7. **Thoroughly engage with information** - actively engage with available information, seeking to understand and apply critical thinking to all proposals and discussions.

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.

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 a majority of members. Members unable to attend a meeting should advise the President and Chief Executive as early as possible.

Governing Board responsibilities at Engineering New Zealand include:

1. Strategic oversight and approval:
 - 1.1 Set overall strategic direction and plan.
 - 1.2 Approve business plans and budgets aligned with the strategic plan.
2. Alignment and compliance:
 - 2.1 Monitor activities to ensure alignment with strategic plan, business plans, and budget.
 - 2.2 Review compliance with legal and regulatory requirements.
3. Operational governance:
 - 3.1 Determine operational policies.
 - 3.2 Review all aspects of operation for changes to the risk profile.
4. Financial governance:
 - 4.1 Approve financial statements and documents, including the Annual Report, for compliance.
 - 4.2 Safeguard the organisation's financial position.
5. Leadership and Performance Management:
 - 5.1 Appoint and monitor the performance of the Chief Executive.
 - 5.2 Review performance, composition, structure, and succession planning of the Board.
6. Governance procedures:
 - 6.1 Determine voting processes for Board elections and confirm election results.
 - 6.2 Appoint up to three Board members, based on the Board's Diversity and Skills Matrix.
 - 6.3 Annually review Board performance through a Board self-review.

7. Committee oversight and compliance:

7.1 Appoint Board committee members, including members of the Chartered Professional Engineers Board and Engineering New Zealand Foundation.

7.2 Review performance, necessity, and composition of Board committees.

Some of the matters above are reviewed at annual or bi-monthly intervals. In regular meetings the Board:

- Addresses governance matters.
- Discusses strategic issues, opportunities, and operational reports by the Chief Executive.
- Reviews financial reports.
- Evaluates specific proposals for capital expenditure and acquisitions.
- Reviews reports from sub-boards/committees with delegated authority.
- Makes decisions on other relevant matters requiring Board approval.
- Reviews strategy implementation and achievement of goals
- Approves the financial statements and Annual Report
- Considers appointed board member roles
- Reviews audit requirements and appoints an auditor
- Sets the annual Board workplan
- Reviews and approves annual insurance policies

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.

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 that are not in conflict with the objective of Engineering New Zealand.

REMUNERATION

Elected 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. Appointed Board members may receive financial support for their role on the Board (other than the Emerging Member).

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 six 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.