



Water New Zealand

**Corporate
Governance Charter
2021**

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The core purpose of Water New Zealand is to be the pre-eminent organisation in New Zealand for promoting and enabling the sustainable management and development of the water environment.

If the water is healthy, the land is healthy, the people are healthy –
ka ora te wai, ka ora te whenua, ka ora nga tangata

The objectives of Water New Zealand are therefore to recognise the fundamental importance of water to society and of sustainable and environmentally responsible water supply, and stormwater and wastewater management by:

- promoting integrated national and regional policies in the water environment based on sound principles, and scientific and technical evidence and knowledge
- facilitating the exchange of knowledge and providing quality products and services to meet the needs of Water New Zealand's members
- benefiting society by promoting a better understanding of the water environment and the sustainable management and development of resources, and providing leadership and informed advocacy on water and wastes
- promoting the advancement and application of fundamental and practical knowledge to natural water resources, water use and the environment.

Water New Zealand's governance policy incorporates:

- the constitution
- the Board Charter
- Board protocols (including meeting conduct, policy-making, role descriptions and induction)
- a statement of matters reserved by the Board along with Board delegations of authority (Chief Executive and committees)
- appointment for board members
- code of conduct.

Section 1: THE ROLE OF THE BOARD

'Governance generally refers to the processes by which organisations are directed, controlled and held to account. It encompasses authority, accountability, stewardship, leadership, direction and control exercised in the organisation' (Australian National Audit Office, 1999).

'...The aim [of corporate governance] is to align as nearly as possible the interests of individuals, corporations and society.' (Sir Adrian Cadbury, UK, 2000).

The Board is ultimately responsible for all matters relating to the successful functioning of Water New Zealand. The Board's role is to govern the organisation rather than manage it.

The Board delegates day-to-day management to the Chief Executive. In general, the Board, on behalf of members, is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of Water New Zealand.

The Board has a responsibility to represent and promote the interests of the organisation's members to achieve long term benefit in line with the organisation's core purpose and its constitution. It has a role in:

- laying solid foundations for management and oversight;
- monitoring and evaluating organisational performance;
- adding value;
- promoting ethical and responsible decision making;
- safeguarding the integrity of financial reporting;
- respecting the rights of members;
- recognising and managing risk; and
- remunerating and advising the CE fairly and responsibly.

BOARD STRUCTURE

1.1 Size and Composition

Under Section 7.1 of the Constitution of the Association, the Board of Water New Zealand shall comprise of four members elected by the members, including (i) the President and (ii) if applicable, the immediate former President during the year immediately following their term as President; and four members from the current roll of financial members of the Association appointed by the elected board members.

The Board elects one of their number to be President in accordance with Rule 9.1 of the Constitution.

At least four (4) months and not more than sixteen (16) months prior to the expiry of the presidents' term of office the Board members elected pursuant to clause 7.1(a) of the Constitution shall elect one of their number as President-elect who shall assume office as President after the Annual General Meeting and preside over the Board meetings. At any time where the President is unavailable or unable to act, the Board members elected pursuant to clause 7.1(a) shall elect an acting President.

Rule 9.2 of the Constitution specifies that the President shall hold office for a two-year term and may only serve a single term as President.

Employees of the Association may not be Board members.

The Chief Executive appointed by the Board shall serve as the executive officer and Secretary of the Association.

The Board should contain a blend of skill, diversity and experience (including governance experience) relevant to its leadership role in the industry. The President has a role in ensuring appropriate skills and experience exist within the Board.

The Board shall use its best efforts to ensure that:

- Board members can act critically and independently of one another whilst also working as a team in the best interests of the organisation;
- each Board member is furnished with sufficient information to discharge their duties;
- Board members are independent of management and free from any business or other relationship which could materially interfere with their independent judgement.

1.2 Board Member Terms of Appointment

Rule 11 of the Constitution specifies Board members terms of appointment.

1.3 Committees

To assist in the process of governance, the Board may from time-to-time appoint a sub-committee or advisory group to carry out a specific task, the scope of activity and the time frame for which shall be defined at the time of establishing the group.

The Board has established the following standing sub-committees, the terms of reference for which are contained in Appendix 1:

- Audit & Risk Committee
- Performance and Review Committee
- Appointments Committee

Terms of reference for committees or advisory groups, and any associated delegations, are reviewed every three years or sooner as needed.

PRINCIPLES OF GOVERNANCE

To fulfil its role, the Board is committed to the rigorous application of the following principles of governance.

1.4 Leadership and Stewardship

The Board will exercise proactive leadership, enterprise, integrity and judgement in directing the Association to achieve outcomes that meet members' expectations and guarantee continuing sustainability. The Board should act in the best interest of the Association in a manner that reflects transparency, accountability and responsibility. The Board will instil and continually reinforce a culture across the organisation of acting lawfully, ethically, and responsibly.

1.5 Setting Strategy and Values

The Board will determine the Association's purpose, values, and the key outcomes and results to be delivered, and ensure that policies, procedures and practices are in place to support the desired organisational culture and to protect the Association's assets and reputation. It should approve the basic strategies adopted to achieve desired results.

1.6 Achieving Effective Organisational Performance

The Board will monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans. It will ensure there are performance indicators set for each of the streams of the business and monitor these regularly.

1.7 Risk Management

The Board will establish and maintain a sound risk management framework and regularly review its effectiveness. It will regularly (at least annually) undertake, in conjunction with management, an exercise to identify key risk factors and characterise them according to their likelihood and possible consequences and record these in the Board's Risk Register. The Board will satisfy itself that events or issues (including the risk of lost opportunities) that pose the greatest threat to Water New Zealand in the achievement of desired outcomes and relationships with key stakeholders, are under a management regime that is consistent with the Board's risk profile.

1.8 Expressing Accountability to Members

The Board will serve the legitimate interests of the principal beneficiaries of the Association and account to them fully. It will do this by presenting a fair representation of the organisation's activity, and taking responsibility for the consequences of its actions, and its and the organisation's performance.

1.9 Relating to Stakeholders

The Board will identify the Association's internal and external stakeholders and agree strategies, in consultation with management, to determine how the Association should relate

to them. The Board should ensure that the Association communicates regularly and effectively with members and other stakeholders.

1.10 Assurance of Compliance

The Board will ensure that the Association complies with all relevant laws, regulations and codes of best practice, and that it meets its contractual obligations.

1.11 Procuring Effective Succession

The Board has a duty to ensure there is effective governance succession. As far as possible within the constraints of the electoral process, the Board will ensure that through a managed and effective selection process, it has the benefit of a mix of proficient Board members, each of whom is able to add value and to bring independent judgement to bear on the decision-making process.

1.12 Balancing Power

The Board will ensure that no one person or group of persons has unfettered power and that there is an appropriate balance of power and authority on the Board.

1.13 Internal Control

The Board will regularly review process and procedures, both internally and externally, to ensure the effectiveness of its internal systems of control, so that its decision-making capability and accuracy of its reporting and financial results are consistently maintained at a high level.

1.14 Continuous Improvement in Board Performance

Using this Charter as the basis, the Board will set explicit governance performance expectations and evaluate its performance and effectiveness as a whole and that of its individual members on a regular basis (no less often than annually). The evaluation process will be designed so that it can also be used to inform the Association's members about the overall strengths of the Board and possible gaps in its competency profile. The timing of this evaluation process should, therefore, be conducted prior to nominations being called for election to the Board.

1.15 Organisational Development and the Development of Management Capability

The Board recognises that its biggest asset is its people. It will therefore work hard to be viewed as 'a good employer'; an employer that provides and supports an environment where employees feel valued and respected, where difference is celebrated and diversity encouraged, where there is active employee engagement, professional development opportunities, transparency on policies and procedures and regular feedback.

The Board will appoint the Chief Executive and ensure the motivation, retention and protection of intellectual capital intrinsic to the Association; ensure that there are adequate professional development opportunities for management and employees, and a succession plan for senior management.

1.16 Investing in Infrastructure

The Board will ensure that the necessary infrastructure, including information technology and systems, used in the organisation are adequate to effectively and competently facilitate the business of the Association.

Section 2

DEFINING GOVERNANCE ROLES

2.1 The Key Activities and Responsibilities of the Board

Board members have been elected by the members to govern the Association within applicable legal constraints, and to supervise the management of the organisation rather than to manage the organisation in its own right. Subject to the Association's Constitution, without intending to limit the Board, the key activities and responsibilities of the Board are to:

- Clearly establish the Association's purpose.
 - Define and prioritise outcomes, goals and strategies to achieve them.
 - Monitor performance in achieving the organisation's goals and desired outcomes, taking action where required to address deficiencies or areas of non-performance.
 - Continuously review strategic direction and adapt as necessary to suit changing external environmental needs or economic / political change.
 - Determine the values of the Association.
 - Demonstrate the desired culture and values of the Association through the behaviour of the Board as a whole, and of each individual Board member.
 - Approve the allocation of resources for achieving defined outcomes.
 - Establish and regularly review the overall policy framework within which the business of the Association is conducted.
 - Oversee the relationship with key stakeholders including:
 - acting, through the President, as the interface and key point of accountability between Water New Zealand and its members;
 - familiarising itself with matters of concern and relevance to members;
 - ensuring the interests of all members are considered in the decision-making process;
 - approving and overseeing the implementation of a stakeholder engagement and communication strategy for members and broader stakeholder categories.
 - Monitor compliance and risk management, including:
 - approving, overseeing, and reviewing a set of internal controls to ensure that senior management are prudently and efficiently managing the Association's resources;
 - ensuring Water New Zealand acts in accordance with its Constitution;
 - ensuring the Association keeps appropriate accounting records;
 - monitoring the effectiveness of the internal financial control systems by overseeing, management reviews and letters of representation on compliance signed by management;
 - ensuring financial statements are accurate, a true representation of the Association's activities, and meet all statutory requirements;
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- deciding on and taking any steps necessary to protect the financial position and / or reputation of the Association;
 - external auditor reviews and other statutory examinations of the Association;
 - overseeing, reviewing and ensuring the effectiveness and integrity of the compliance and risk management systems in conjunction with the Chief Executive, and
 - ensuring prompt investigation of any material performance shortfalls or breaches in compliance or risk management standards.
- Monitor management's performance with respect to these matters.
 - Appoint the Chief Executive, including setting the terms of the CE's Employment Contract, managing the CE's performance, and where necessary, terminating the CE's employment.
 - Participate in the selection of other key staff on the invitation of the Chief Executive who retains the decision-making and performance management responsibility.
 - Ensure that the organisation maintains high ethical standards.

The Board has delegated day-to-day management to the Chief Executive. As such, it is the purpose of the Chief Executive to manage the Association in accordance with the direction and delegations of the Board, and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In its relationship with the Chief Executive, however, the Board will:

- delegate sufficient authority to the Chief Executive to ensure the effective day-to-day management of the business and monitoring the exercise of these powers;
- review the performance of the Chief Executive on at least an annual basis and against pre-determined criteria;
- provide advice to, and act as a sounding board for, the Chief Executive;
- review the executive management structure;
- ensure the strength of the executive management team by ensuring that a robust system exists for:
 - recruitment of a competent executive management team;
 - providing appropriate terms and conditions of employment of the executive management team to attract and retain competent staff;
 - effective performance evaluations of the executive management team, and
 - developing succession plans for the Chief Executive and other executive management team members.

2.2 Code of Conduct – Individual Board Members

Each Board member is expected to understand the specific legal requirements of their role as a Director.

Members of the Board of Water New Zealand have a range of **Fiduciary Duties**. These fiduciary duties include:

- acting with due care and diligence
 - acting honestly and avoiding conflicts of interest
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- acting in what the Board member believes to be the best interests of the organisation **as a whole**.

In accordance with these requirements, it is expected that Board members:

- will discharge their duties in good faith and honesty in what they believe to be the best interests of the Association;
- will act with required care, diligence and skill, demonstrating reasonableness in their decisions;
- will avoid conflicts of interest;
- will act in accordance with the Constitution and the law relating to incorporated societies;
- will not take improper advantage of their position as a Board member. This includes not making improper use of information gained through their position as Board members;
- will not allow personal interests, or the interest of any associated person, to conflict with the interests of the Association;
- will make reasonable inquiries to ensure that the Association is operating efficiently, effectively and legally towards achieving its goals;
- will undertake diligent analysis of all proposals placed before the Board;
- will understand and meet their specified responsibilities under occupational health and safety legislation including requirements to ensure that employees of the Association operate in a safe working environment;
- will not agree to the Association incurring an obligation unless the Board member believes at the time, on reasonable grounds, that the Association will be able to perform the obligations when it is required to do so.

Other matters concerning the conduct of Individual Board Members.

- The Board decides what matters are delegated to specific Board members, Board committees or management, and what controls are in place to oversee the operation of delegated powers.
 - Board members have no individual authority to participate in the day-to-day management of the organisation, including making any representations or agreements with any other party including employees, unless such authority is expressly delegated by the Board.
 - Board members are expected to give generously of their specific expertise.
 - Board members are expected to keep Board discussions and deliberations confidential unless specifically authorised by the Board.
 - Board members have a duty to question, request information, raise any issue, fully canvas any aspects of any issue confronting the organisation and to cast their vote on any resolution according to their own decision. However, outside the boardroom, Board members will support Board decisions in discussions with all external parties including staff.
 - Confidential information, received by a Board member in the course of the exercise of his or her duties, remains the property of the Association. It is improper to disclose this information or to allow it to be disclosed, unless that disclosure has been authorised by the Board, or is required by law.
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- A Board member shall not engage in any conduct likely to bring discredit upon the Association.
- A Board member must not agree to, cause, or allow the business to be carried on in such a way that it trades while financially insolvent, where there is substantial risk of serious loss of reputation, or where there is another form of threat to its viability.
- A Board member has an obligation at all times to comply with the spirit as well as the letter of the law and with the principles of this charter.

2.3 Conflicts and Matters of Interest

In regard to actual or potential conflicts and matters of interest:

- 2.3.1 Board members must disclose to the Board any actual, potential or perceived conflicts of interest which may exist, or might reasonably be thought to exist, between the interests of the Association and the interests of the Board member and persons or organisations associated with the Board member.
- 2.3.2 Such disclosures must be entered in the Interests Register (reviewed and confirmed at Board meetings).
- 2.3.4 Where a conflict of interest is identified and/or registered, the Board member concerned shall not participate in related discussions or vote on that issue. Only with the unanimous agreement of all other Board members present may the member concerned participate in any Board discussion on that topic.
- 2.3.5 Board members are also encouraged to disclose 'matters' of interest with which they have an affiliation or membership if these have the potential to be of benefit to the Association.
- 2.3.5 In the case of any ambiguities to this policy, the matter will be delegated to the Chair for settlement.

Examples of conflicts of interest are:

- when a Board member or a Board member's immediate family or business interests stands to gain financially from any business dealings, programmes or services of the Association;
- when a Board member offers a professional service to the Association;
- when a Board member stands to gain personally or professionally from any insider knowledge, if that knowledge is used to advantage.

2.4 Role of the President as Chairperson

The primary role of the President as Chairperson is to facilitate effective governance of the Association. In the absence of the President, the Board shall elect one of their number to act as Chairperson.

The President as Chairperson is expected to fulfil the following responsibilities:

- Ensure that the Board provides leadership and vision to Water New Zealand.
 - Ensure that the Board participates actively in setting the aims, strategies and policies of the Association.
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- Confirm the Board agenda.
- Ensure that the Board has adequate information to undertake effective decision-making and that the Board's activities and performance accords with this governance charter.
- Direct the Board discussion to effectively use the time available to address important issues.
- Ensure that Board members are enabled and encouraged to actively participate and contribute to Association business.
- Ensure that Board members have adequate opportunities to express their views.
- Ensure that the Board's deliberations and decisions are properly recorded.
- Ensure that the Board monitors the condition of the assets of the Association including the capacity and capabilities of the organisation in achieving its objectives.
- Ensure that administrative tasks such as the circulation of Board papers are carried out efficiently and effectively.
- Maintain a healthy mentor relationship with the Chief Executive.
- Guide the effectiveness of the Board and its ongoing development as a whole as well as its individual Board members, including Board performance review processes.
- Lead the development of a work plan for the Board on an appropriate cyclical basis.
- See that the Board acts in accordance with this Corporate Governance Charter.

The President will also:

- chair Board meetings with all the normal powers and expectations of that role;
- establish the agenda for Board meetings in conjunction with the Chief Executive and consistent with the Board's annual agenda or work plan;
- represent the Association to members and outside parties in accordance with the Constitution Section 15: Expressions of Association Opinion.

The President also has an important responsibility to establish a healthy working relationship between the Board and the Chief Executive. To facilitate this relationship, the President as Chairperson is expected to:

- be available as the principal point of contact between the Board and the Chief Executive. As the Chief Executive is accountable to the Board as a whole, this responsibility does not extend to acting as the supervisor or the principal assessor of their performance;
 - act as a sounding board for the Chief Executive;
 - ensure that the Board fulfils its 'Good Employer' responsibilities, including regular performance evaluations conducted according to a mutually agreed process.
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Section 3

GUIDELINES FOR BOARD PROCESSES

3.1 Board Meetings

Board meetings will be conducted according to the following guidelines.

- Board members will meet formally approximately every two months, or as required. However, a Board meeting can be convened at any time as prescribed under Section 12 of the Constitution, entitled “Duties of Officers/Employees”.
- A meeting is defined as a group of people meeting in person or by approved methods of telephonic or video graphic communication.
- Committees meet as frequently as is necessary to fulfil their designated duties; however, typically this will be at least twice per year.
- The agenda and papers for the meeting will be circulated to all Board members at least five working days prior to the meeting.
- The agenda will be constructed having regard to an Annual Agenda or Work Plan which schedules in advance time to address routine business-as-usual and strategic issues as well as allowing time for important non-discretionary matters.
- In order for a decision of the Board to be valid, a quorum of Board members must be present. The Constitution states that a quorum shall consist of four Board members.

The President as Chairperson will determine the degree of formality required at each meeting while maintaining the decorum of such meetings. The following guidelines shall apply:

- The President shall ensure that all members are heard.
- The President shall maintain sufficient control to ensure that the authority of the Chairperson is recognised and a degree of formality can be reintroduced when required.
- The President will take care that decisions are properly understood and well recorded.
- The President will ensure that debates are completed with a formal resolution recording the decision(s) reached, as and where appropriate.

A Board member shall in good faith:

- act in a business-like manner;
 - act in accordance with the Constitution and Code of Conduct;
 - address issues in a confident and firm, yet collegial manner;
 - use judgement, common sense and tact when discussing issues;
 - minimise distractions and irrelevant remarks;
 - ensure that others are given a reasonable opportunity to put forward their views (i.e. refraining from interruption or interjection when another Board member or person is speaking); and
 - support any request or indication from the President as Chairperson that aims to ensure the orderly and good-spirited conduct of the meeting.
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The Board reserves the right to meet from time to time without the presence of the Chief Executive or other staff. However, when it does so, topics related to operational matters **MUST be held over** to the formal Board meeting so that the Chief Executive may provide relevant facts or data to support these discussions.

During a Board meeting, attendees will comprise a quorum of Board members, the Chief Executive, and where appropriate and agreed between the Chairperson and CE, invited members of the Management Team. Additionally, the President or a majority of Board members may request the attendance of any other person that they believe may be able to assist the Board in any matter under consideration.

3.2 Emergency Decision Making – Written Resolutions

Any urgent decision that cannot wait until the next Board meeting may be dealt with by a written resolution sent by email or via the Board's Document Management/File-sharing platform, or by hardcopy if need be.

3.3 Board Minutes

- Minutes will contain a brief review of the discussion as well as the official resolution adopted by the Board.
- All decisions will be recorded by way of a formal resolution.
- Board members who dissent or abstain may ask to have their dissent or abstention recorded in the minutes.
- Material conflicts of interest shall be recorded in the minutes and in a Conflict of Interest Register.
- A draft of the minutes will be circulated to the President for comment and approval in principle within five working days of each Board meeting.

3.4 Maintenance and Availability of Board Papers and Minutes

The Chief Executive will ensure that a complete set of signed and approved Minutes and related Board papers are kept at Water New Zealand's Corporate Office.

Board minutes are generally available to members with the exception of outcomes of discussions held "in committee", which are taken and kept in confidence. Unless specifically protected (e.g. for reasons of commercial confidentiality or personal privacy), Board reports and other papers are also available for members to peruse.

3.5 Board Member Induction

Upon election, each new Board member will receive a letter of appointment containing the details stated in Appendix 2.

The documents to be included in the induction package for new Board members are set out in Appendix 3.

This process will normally be led by the President who may also delegate aspects of the process to other experienced Board members.

3.6 Board Members Allowances and Other Expenses

Board Members are not remunerated for their participation on the Board.

The Association will, however, reimburse reasonable and properly incurred travel, accommodation and other costs incurred by Board members with the approval of the Chief Executive and/or President as applies.

Travel and Accommodation

Travel arrangements made by the Association's office on behalf of Board members will, as far as possible, be arranged so that return travel to the original location can be completed on the same day.

Any additional cost incurred as a result of Board members requesting travel changes after agreed bookings have been made will, unless approved by the President, be at the Board members own expense.

Accommodation may be arranged by the Association's office insofar as it is required for a Board member conducting business for the Association.

Absences

In the case of unapproved absences, a Board Member's allowances may, after a thorough investigation of the reason for the absence, be suspended at the discretion of the President.

Directors Insurance

The Association will ensure that there is current Directors and Officers Liability insurance cover for all Board members and the Chief Executive.

3.7 Emergency Contact Procedures

There may be the occasional need to contact Board members urgently. Board members should ensure that their contact details, either for themselves or for a person who knows their location, are made available to the Chief Executive so that they can be contacted within 24 hours.

Section 4

KEY BOARD FUNCTIONS

4.1 Delegation of Authority

4.1.1 Payment Authority

- The President, Chief Executive, and Technical Manager, are authorised to sign cheques or confirm other means of payment (for example, electronic transfers) on behalf of Water New Zealand.
- All cheques and payment by other means require the signature or confirmation of two authorised persons.

4.1.2 Credit Cards and other forms of Credit or Commitment of Association Funds

For reasons of sound business practice, Water New Zealand manages its financial transaction for goods and services through a combination of trade accounts, charge cards and Water New Zealand credit cards.

4.1.2.1 The Chief Executive may be authorised by the Board to use a credit card on terms approved by the Board from time-to-time.

4.1.2.2 The President or a delegated Board member shall review and approve all Credit Card and cash expenses incurred by the Chief Executive.

4.1.2.3 The Chief Executive may authorise the use of credit cards by other staff.

4.1.4 Public Representation

Official representation of the Association publicly (including news media comments) will normally be by the President and/or the Chief Executive, or Senior Staff as delegated by the Chief Executive. They are expected to represent the Association according to Board approved policies and positions.

The Chief Executive will normally be the person that represents the Association in contractual negotiations and in any matter to do with the operations of the Association.

4.1.5 Execution of Documents

Documents signed on behalf of the Association require any two Board members signatures or one Board member and the Chief Executive. It is expected that those signing will have been involved in the decision-making.

4.1.6 Overseas Travel

The impact of overseas travel expenses for the President or other Board members can be significant, and it is important for any overseas travel that is funded by Water New Zealand to provide a tangible benefit for the Association and its members. The Board must approve overseas travel for the President or other Board members.

The Board must also approve overseas travel for the Chief Executive or any other staff member. This will normally be through the approval of a specific overseas travel budget item in the annual business plan. Any expenditure outside this requires specific Board approval. Once scheduled, all overseas travel by staff must be notified to the Board at its next meeting.

Proposals will be evaluated in terms of:

- any current or potential pandemic exposure risk to Association Board members and/or staff of travelling to the intended destination and its associated ramifications;
- any current or potential political unrest in the intended destination and the risk to Association Board members and/or staff of travelling there and its associated ramifications;
- the benefits and drawbacks of attendance in person versus via electronic attendance;
- increasing awareness by international organisations and businesses of the activities/events of Water New Zealand. This includes invitations to address an audience as a guest speaker;
- increasing awareness by international organisations and businesses of the services and skills that are available from Water New Zealand members;
- securing access to information about research programmes, research outcomes, training programmes, technological developments, standards, policy and codes of practice that can be disseminated to Water New Zealand members;
- securing access, or assisting to secure access, for New Zealand individuals or corporate members to international markets;
- securing access, or assisting to secure access, for New Zealand individuals to present the outcomes of their research, new methodology or technological development to international events;
- promotion of the professional development of Water New Zealand staff members;
- development of business opportunities and best business practices;
- whether the participation of an elected member of the Association will provide any additional benefit to that which would be achieved by the Chief Executive or other staff members undertaking the same or a similar overseas travel programme;
- the possible impact of staff absences;
- the risk to the Association of key staff travelling together.

4.2 Chief Executive Evaluation

The Board will also conduct a formal evaluation of the performance of the Chief Executive at least once a year. The review will normally be conducted by a committee of the Board in consultation with the other members of the Board and will be completed within three months of the end of the financial year. The basis for the performance evaluation will be a Performance Agreement between the Board and the Chief Executive which is agreed prior to the start of each financial year.

The Chief Executive's remuneration will be reviewed within four months of the end of each financial year. The Board may seek independent advice on that remuneration to ensure that

remuneration of the Chief Executive's position is referenced to the market rate for similar positions. The position will be 'job sized' on the basis of independent advice at least once every three years.

4.3 Chief Executive's Delegated Authorities

A copy of the current Chief Executive's delegated authorities is attached at Appendix 4 to this Charter.

Section 5 CONTINUING IMPROVEMENT

5.1 Board Evaluation

- Each year the Board will conduct an evaluation of its performance.
- The evaluation will take place in July of each year.
- The findings of the review will be tabled at the next Board Meeting.

(Note: there is normally a Board meeting in August so this should give enough time for an evaluation to be presented.)

The Board shall implement such improvements as are identified within the Board reviews.

5.2 Board Member Development

In order to continually improve Board performance, all Board members are expected to undergo continual professional development related to their governance responsibilities.

Where specific skill gaps are identified, the Association will provide training and resources to address those gaps.

The President shall ensure that appropriate Board member development is planned and completed.

APPENDIX 1

Committee Terms of Reference

Audit & Risk Committee

Purpose:

The Board of Water New Zealand has established the Board Audit and Risk Committee (the Committee) to assist the Board in discharging its responsibilities with respect to financial reporting, internal and external audit, the Board's risk management framework and statutory compliance.

The Committee does not replace established management responsibilities and delegations. The Committee will provide the Board with prompt and constructive reports on its findings, especially when issues are identified that could present a material risk to the Association.

Membership:

The Committee will comprise a minimum of three Board members, appointed by the Board in accordance with rule 13.2 of the Constitution. The President of the Association shall be a member of the Committee, ex-officio, but will not be the chairperson. The Committee shall be chaired by someone with a financial, accounting or commercial background or experience, selected by the Board.

Membership of the Committee will collectively (not necessarily individually) include expertise in the following:

- Financial reporting
- Risk management
- Internal control
- External audit process
- Internal audit systems
- Insurance process
- Legal process, and
- Information technology.

The Committee may co-opt members who are not members of the Board or the Association provided that Board members shall always form a majority of the Committee.

All Board Members are entitled to attend meetings of the Audit and Risk Committee, with prior notification to the Committee Chair.

Quorum for decision-making requires a minimum of 50 percent of Board members to vote/be in agreement. In the event quorum cannot be reached, the matter before the Committee will be referred to the Board for consideration.

If a vacancy on the Committee arises at any time, the Board can fill that vacancy in accordance with rule 13.2 of the Constitution.

Duration:

The Audit and Risk Committee will be a standing committee of the Board, subject to review by the Board no less than three yearly. Membership of the Committee will be reviewed annually.

Responsibilities:

The responsibilities of the Committee shall include:

- liaising with the Chief Executive, Virtual CFO and external auditors;
 - reviewing the Annual Audit Plan with the auditors;
 - establishing a business continuity plan and regularly reviewing it;
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- risk management;
- monitoring and reviewing policies and practices established to ensure compliance with regulatory and statutory requirements and obligations;
- benchmarking / best practice;
- quality assurance / peer reviews;
- reviewing internal control policies and procedures;
- any other financial reporting, audit or risk related issues as may arise.

Delegations

The Board delegates all powers necessary for the Committee to perform its responsibilities, including:

- Conducting or authorising investigations into any matters within its scope of responsibility
- Accessing information, records and personnel as it requires to fulfil its responsibilities
- Requesting the attendance of any employee, at Committee meetings
- Conducting meetings with External Auditors (Auditor-General appointees) as necessary
- Obtaining advice from external parties as necessary
- Resolving any disagreements between management and the auditor regarding financial reporting
- Pre-approving all auditing and non-audit services
- Adoption of strategies and policies relating to the key responsibilities of this Committee.

The Committee has the ability and is authorised to:

- Seek any information it requires from any employee or external party
- Ensure the attendance of staff at Audit Committee meetings, as appropriate
- Take such independent professional advice as it considers necessary.

The Committee may not delegate any of its responsibilities to a sub-committee without prior approval of the Board.

Meetings

The Committee will meet at least once per quarter, with authority to convene additional meetings, as circumstances require. Meetings are to be held at the planning stage of the budget, before the issue of the final end of year Financial Statements, and in time to receive and consider the results from the WNZ conference and expo.

All Committee members are expected to attend each meeting, in person or via an accepted communication tool.

Committee meetings will normally be attended by the Chief Executive. The Committee may also invite other relevant parties to attend meetings and provide pertinent information, as necessary. The Committee can meet solely with the auditors, without the Chief Executive in attendance to make independent inquiries, if considered necessary. The Committee will determine its own agenda; ensuring issues directed to it by the Board are included together with appropriate consultation to include emerging issues and emphasis on the most significant risks.

The Association Executive, in conjunction with the Chair of the Committee, shall draw up an agenda to be circulated at least one week prior to each meeting. The agenda shall be distributed to the members of the committee, other Board members, the external auditors, and other invitees. The Association Executive will also prepare minutes and accurately transcribe all decisions of the Committee.

The Chair of the Committee will also call a meeting of the Committee if so requested by any Committee member, the Chief Executive or the external auditors.

Terms of Reference Review

These Terms of Reference will be reviewed in conjunction with the Association's Constitutional review cycle or earlier as required. Such reviews will involve the Committee in the first instance prior to the normal review and approval processes of the Association Board.

Definitions

In these terms of reference unless otherwise provided or unless there is something in the subject matter or context which is inconsistent, the following expressions shall have the definitions or meanings provided below:

"Association"	means New Zealand Water and Wastes Association trading as Water New Zealand;
"Board"	means the Association's Board of Directors.

Performance and Review Committee

Purpose:

The Board of Water New Zealand has established the Board Performance and Review Committee (the Committee) to assist the Board to ensure that there is an effective and positive partnership between the Board and its Chief Executive and to monitor and address the performance and behaviour of the Board and its Members. The Committee will provide the Board with prompt and constructive reports on its activities, especially when issues are identified that could present a material risk to the Association.

Membership:

The Committee will comprise a minimum of three Board members, appointed by the Board in accordance with rule 13.2 of the Constitution. The President of the Association shall be a member of the Committee, ex-officio, but will not be the chairperson. The Committee will be chaired by someone with expertise in human resources and/or conducting organisational reviews, selected by the Board.

The Committee may co-opt members who are not members of the Board or the Association provided that Board members will always form a majority of the Committee. Quorum for decision-making requires a 50 percent majority of Board members to vote/be in agreement. In the event quorum cannot be reached, the matter before the Committee will be referred to the Board for consideration.

If a vacancy on the Committee arises at any time, the Board can fill that vacancy in accordance with rule 13.2 of the Constitution.

Duration:

The Performance and Review Committee will be a standing committee of the Board, subject to review by the Board no less than three yearly. Membership of the Committee will be reviewed annually.

Responsibilities:

The responsibilities of the Committee will include:

- Facilitating the Board's thinking about the Chief Executive's performance, reviewing their performance with the Chief Executive, and agreeing Key Performance Indicators that are consistent with and aligned to the achievement of the Board's objectives.

- Reviewing and making recommendations on the Chief Executive's and Committee Member's remuneration (co-opted members).
- Reviewing the Board and its Members' performance and behaviour with a view to continually improving the way that the Board and its Members' operate and to ensure good governance at all times.
- Investigating and making recommendations to the Board in relation to the Chief Executive or any employee's alleged breach of the provisions of their employment agreement, the Association's Corporate Governance Charter or Constitution.
- Investigating and making recommendations to the Board in relation to any Board Member's alleged breach of the provisions of the Association's Corporate Governance Charter or Constitution together with a recommendation on appropriate sanction(s) if any.
- Reviewing the provisions of the Corporate Governance Charter to ensure that they are effective and reflect the way that the Board and its Members should conduct themselves so as to ensure the effective and professional governance of the Association.
- Obtaining regular independent advice on the sizing and associated remuneration package for chief executives of organisations that are similar to the Association.
- Ensuring that the Chief Executive's Position Description reflects what the Board expects them to achieve and the associated knowledge, skills, experience and attitude/orientation.
- Making recommendations to the Board on any changes to the Chief Executive's Position Description or Key Performance Indicators.
- Undertaking regular reviews of the Chief Executive's performance and undertaking a formal review every year so as to ensure that the Board and the Chief Executive's expectations are aligned.
- Discussing and agreeing with the Chief Executive the mentoring, training and other support they need to effectively undertake their role.
- On an annual basis, reviewing and agreeing with the Chief Executive, their assessment of the performance of their direct reports, their associated remuneration and any succession planning issues.
- Engaging independent consultant(s) to assist with the assessment of the Board's and its Members' performance and to secure the requisite mentoring, coaching and other training.

Delegations

The Board delegates all powers necessary for the Committee to perform its responsibilities, including:

- Conducting or authorising investigations into any matters within its scope of responsibility.
- Accessing information, records and personnel as it requires to fulfil its responsibilities.
- Requesting the attendance of any employee at Committee meetings.
- Obtaining advice from external parties as necessary.
- Adoption of strategies and policies relating to the key responsibilities of this Committee.

The Committee has the ability and is authorised to:

- Seek any information it requires from any employee or external party.
 - Ensure the attendance of staff at Committee meetings, as appropriate.
 - Take such independent professional advice as it considers necessary.
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The Committee may not delegate any of its responsibilities to a sub-committee without prior approval of the Board.

Meetings

The Committee will meet at least twice a year, with authority to convene additional meetings, as circumstances require. At least one of the meetings will coincide with the annual salary review for staff, to ensure this occurs on time each year as far as possible.

All Committee members are expected to attend each meeting, in person or via an accepted communication tool.

The Committee may invite other relevant parties to attend meetings and provide pertinent information, as necessary. The Committee will determine its own agenda; ensuring issues directed to it by the Board are included.

The Association Executive, in conjunction with the Chair of the Committee, shall draw up an agenda to be circulated at least one week prior to each meeting. Due to the subject matter of this Committee, a member of the Committee will prepare minutes and accurately transcribe all decisions of the Committee.

The Chair of the Committee will also call a meeting of the Committee if so requested by any Committee member or the Chief Executive.

Terms of Reference Review

These Terms of Reference will be reviewed in conjunction with the Association's Constitutional review cycle or earlier as required. Such reviews will involve the Committee in the first instance prior to the normal review and approval processes of the Association Board.

Definitions

In these terms of reference unless otherwise provided or unless there is something in the subject matter or context which is inconsistent, the following expressions shall have the definitions or meanings provided below:

"Association" means New Zealand Water and Wastes Association trading as Water New Zealand;

"Board" means the Association's Board of Directors.

Appointments Committee

Purpose:

The Board of Water New Zealand has established the Board Appointments Committee (the Committee) to manage the appointment of Board members in accordance with rule 7.1 of the Constitution, to ensure that the Board as a whole has an appropriate mix of skills, diversity and experience, based on criteria determined by the Board from time to time.

Membership:

The Committee will comprise all of the Board's elected members in accordance with rule 8 of the Constitution. The President shall chair the Committee.

Quorum for decision-making requires a 50 percent majority of elected Board members to vote/be in agreement. In the event of a stalemate, the President will cast the deciding vote. If a vacancy on the Committee arises at any time, the Board can fill that vacancy in accordance with rule 13.2 of the Constitution.

Any Appointments Committee member(s) seeking election as an Appointed Board Member must disqualify themselves from the Board selection process and associated Appointments Committee activities established to inform that selection process. In these circumstances, the Administrator will advise the Board of the need to nominate an alternate Appointments Committee representative for the forth-coming Board appointments cycle.

Duration:

The Appointments Committee will be a standing committee of the Board, subject to review by the Board no less than three yearly.

Nomination process for Appointed Board members

- a) In accordance with Rule 10.2 of the Constitution, the Administrator will publicly notify, through appropriate board nomination outlets, any impending Board vacancies advising the nomination procedures, requirements and closing date as approved by the Board (noting that the closing date cannot be closer than 30 days to the Annual General Meeting (AGM)).
- b) At least 30 days prior to the AGM, the Administrator will provide the Committee with the details of all nominees in a format approved by the Board.
- c) The Committee meeting to select Board members must be held no later than one week before the AGM.
- d) The Committee will select, from the candidates available, those persons to be Board members of the Association.
- e) The decision of the Committee will be presented at the AGM for ratification in accordance with rule 10.3 of the constitution.
- f) The Committee may use whatever secret ballot methodology is acceptable to the Committee at the meeting, to derive the Board nominees from the presented candidates, providing that the methodology used is allowable under the Constitution, these terms of reference and with regard to any criteria established by the Board.

Delegations

The Board delegates all powers necessary for the Committee to perform its responsibilities, including:

- Contacting nominees and/or their proposer's or seconder's to verify any information provided with their nomination
- Interviewing nominees as may be required from time to time
- Liaising with WNZ's office to verify the current membership status of any nominees
- Requesting administrative support from Association staff in carrying out its duties (subject to the approval of the Chief Executive)
- Adoption of strategies and policies relating to the key responsibilities of this Committee.

The Committee may not delegate any of its responsibilities to a sub-committee without prior approval of the Board.

Terms of Reference Review

These Terms of Reference will be reviewed annually ahead of the AGM. Such reviews will involve the Committee in the first instance prior to the normal review and approval processes of the Association Board.

Definitions

In these terms of reference unless otherwise provided or unless there is something in the subject matter or context which is inconsistent, the following expressions shall have the definitions or meanings provided below:

“Association” means New Zealand Water and Wastes Association trading as Water New Zealand;

“Appointed Board Member” means members appointed by the Elected Board members;

“Board” means the Association’s Board of Directors;

“Elected Board Member” means members appointed by the membership;

“Member” means any person or organisation holding a current Membership in accordance with Rule 4 of the Constitution.

APPENDIX 2

Letter of Appointment

Each Board member will receive a formal letter on election that details:

- their term of appointment;
 - any special duties or arrangements attached to the position;
 - indemnity and insurance arrangements;
 - details on fellow Board members, the Chief Executive and key staff;
 - induction arrangements;
 - a copy of the Association's Constitution; and
 - a copy of this Corporate Governance Charter
 - access to Stellar Library.
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APPENDIX 3

Induction Package

To help familiarise new Board members with the Association and a Board member's roles and responsibilities, each new Board member will be given a set of induction documents that will include the following information:

- details of the roles and responsibilities of a Board member as well as conduct and contribution expectations as expressed in this Charter;
 - details of all relevant legal requirements;
 - a copy of the Constitution of Water New Zealand;
 - a copy of this Corporate Governance Charter;
 - a copy of the Board's Annual Agenda/Plan;
 - details of past, recent and likely future developments relating to the Board;
 - background information on and contact information for, key people in the Association, including an outline of their roles and capabilities;
 - copies of the last three annual reports;
 - copies of the last three sets of Board meeting papers;
 - copies of all major governance policies not already contained in this Charter;
 - an overview of Water New Zealand including
 - the organisational structure of Water New Zealand and related organisations
 - core competencies of the organisation
 - an industry background briefing
 - details of past financial and operational performance
 - current financial structure and any other important operating information;
 - a copy of the current strategic plan and annual budget; and
 - any other relevant documents.
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APPENDIX 4

Chief Executive's Delegated Authorities

General

1. The Chief Executive is responsible to the Board for ensuring that the Association meets all compliance requirements with respect to its staff obligations and its operational activities. The Chief Executive is responsible for providing advice to the Board on its compliance obligations in respect of all governance accountabilities.
2. The Chief Executive is responsible to the Board for the preparation of an annual budget and business plan and for implementing that plan as approved in accordance with the budget as approved. All significant trends and variances arising from the approved plan and budget shall be promptly advised to the Board by the Chief Executive together with recommendations.

Credit Cards

1. The Chief Executive is authorised to use a credit card for the payment of approved travel or other expenses, or for such other payments as may be approved by the Board from time-to-time. The President shall authorise payment of the Chief Executive's monthly credit card invoice, together with any other claim for reimbursement by the Chief Executive as appropriate.
2. The Chief Executive may authorise use of a credit card by other senior staff where this is advantageous to the office. The Chief Executive will authorise payment of monthly credit card invoice(s) as appropriate.

Approval of Invoices Passed for Payment and Refunds

1. All invoices or claims for refunds processed for payment shall normally be authorised for payment by the Chief Executive in consultation with the staff member familiar with the expenditure.
2. In the Chief Executive's absence, on the recommendation of the Technical Manager, the Acting Chief Executive may authorise payment.

Cheque Signing Authority

1. The President, Chief Executive, and Technical Manager are authorised to sign cheques for the Association. Two signatures are required.
2. Ordinarily the Chief Executive and the Technical Manager will be the signing authorities for Water New Zealand, and its sub-groups.
3. No cheques may be pre-signed.

Expenditure Authorities

1. The Chief Executive has authority to expend:
 - (a) for items incorporated in the approved annual budget, up to \$30,000;
 - (b) for revenue earning projects incorporated in the approved annual business plan up to \$50,000;
 - (c) for items not incorporated in the approved annual budget up to \$10,000;
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- (d) for revenue earning projects not incorporated in the approved annual business plan and which are not extensions of existing projects so approved, whether for reasons of time or a simple variation of contract, up to \$10,000;
 - (e) for CAPEX items included in the approved annual CAPEX budget, \$20,000; and
 - (f) for CAPEX items not included in the approved annual CAPEX budget, \$10,000.
2. All other expenditure proposals, including those extending for longer than three years, shall be considered by the Board and approval shall be by vote recorded in the minutes of the meeting.
 3. All expenditure proposals concerning contracts that are to extend for longer than one financial year shall be valued on the basis of their annual cost multiplied by the number of years or part thereof and shall be addressed by the Chief Executive as set out in paragraphs 1 and 2 above.

Management of surplus funds

1. The Chief Executive has delegated authority to manage surplus funds in accordance with the Treasury policy. Decisions in relation to investing surplus funds (or changing the amount of funds invested) in secure short-term fixed interest securities should be agreed with the President or designated alternate.

Staff

1. The Chief Executive shall obtain Board approval, as recorded in the minutes, for any new proposed staff position or for any alterations to any existing staff position that necessitates or creates the potential for a change in the total direct cost of employment to the employer.
2. Selection of the individual(s) to fill such position(s) and the negotiation of the total remuneration within approved parameters shall be at the determination of the Chief Executive.

Setting of Membership Fees, Charges and Subscriptions

1. Membership subscription levels are the responsibility of the Board.
2. The Chief Executive may approve fees and charges applicable to the membership, for example, conference fees, ordinarily on the basis of recovering all costs plus a margin having regard to current market pricing. Ordinarily members shall receive a discount on such fees.

Overseas Travel

1. Any anticipated overseas travel by the Chief Executive (or any other staff member) must be incorporated in the approved annual business plan and budget.
2. Any such expenditure not in the annual plan and budget must have Board approval, as recorded in the minutes.
3. All staff overseas travel, once scheduled, must be notified to the Board at its next meeting.

Media Statements

1. The Chief Executive may issue statements or comment in the media in the name of the Association at their discretion and will be accountable to the Board for this.
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2. All media statements issued and any significant commentary shall be promptly copied or advised to the Board for information.
3. This delegation may be delegated by the Chief Executive to the Technical Manager, Principle Data Scientist or Training and Development Manager by approval only.