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## **BOARD GOVERNANCE DOCUMENT**

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## 1. PURPOSE OF DOCUMENT

- 1.1 This document sets out the role, composition and responsibilities of the Board of the New Zealand Marketing Association Incorporated.
- 1.2 The purpose of this document is to provide high standards of corporate governance and to clarify the role and responsibility of the Board.
- 1.3 The conduct of the Board is also governed by the Constitution of the Marketing Association, a copy of which is located at [www.marketing.org.nz](http://www.marketing.org.nz).

## 2. STRUCTURE AND TERM

- 2.1 The Marketing Association Constitution provides for seven directors. The Chairman, with the approval of the full Board, has the discretion to appoint up to two additional members of the Board.
- 2.2 The Board should comprise :
  - a) Directors with an appropriate range of skills and experience
  - b) Directors who have a proper understanding of, and competence to deal with current and emerging issues of the Association, and
  - c) Directors who can effectively review and challenge the performance of management and exercise independent judgement.
- 2.3 The Board's Nominating Committee is responsible for the identification and recommendation of candidates for election by the Association's members at an Annual General Meeting.

## 3. ROLES & RESPONSIBILITIES OF THE NATIONAL BOARD

- 3.1 **Business conducted by the Board** : The overall governance and strategic direction of the Marketing Association will be conducted by the Board.
- 3.2 The Board is responsible for promoting the success of the Marketing Association in a manner designed to create and build sustainable value for its members and in accordance with the duties and obligations imposed upon them by the Association's constitution and law, while taking due regard to other stakeholder interests.
- 3.3 Specifically, the Board is responsible for :
  - Setting strategic direction and appropriate operating frameworks of the Marketing Association
  - Monitoring management's performance within those frameworks
  - Ensuring there are adequate resources available to meet Marketing Association objectives
  - Appointing the Chief Executive and overseeing succession plans
  - Approving and monitoring financial reporting and capital management and monitoring the financial solvency of the Association
  - Ensuring that effective risk management procedures are in place and are being used
  - Promoting and authorising ethical and responsible decision-making by the Association
  - Ensuring Marketing Association has appropriate governance structures in place including standards of ethical behaviour
  - Ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Association
  - Appointing the Nominating Committee to oversee the selection of candidates for election to the Board (see 7. Nominating Committee)

#### **4. COMPOSITION OF THE BOARD**

4.1 The Board shall comprise the following officers:

- (a) The Chairperson elected by a majority of votes cast by the Members at a General Meeting of the Association;
- (b) such other Members (or appointed representatives of Members) of the Marketing Association, not exceeding six (6) who are elected by a majority of votes cast by the Members at a General Meeting of the Association;
- (c) The Chief Executive; and
- (d) The Executive Director

The Deputy Chairperson shall be elected by the Board from among their number.

4.2 The Chairman, with the approval of the Board, shall have the power to co-opt up to two additional Members to the Board.

4.3 Each candidate for election to the Board must be a Member, employed by a Member, or a Representative of a Member and must be nominated in writing by two (2) Members. Such nomination must be received in the National Office at least twenty one (21) days before the date of the Annual General Meeting and must be signed by the proposer, seconder and the candidate.

4.4 The officers of the Board shall be elected for a two-year term and will continue in office until the Annual General Meeting of the Marketing Association two years after their election, at which time the officer may offer him or herself for reappointment.

4.5 Any member of the Board may resign from office by notice in writing addressed to the Chairperson of the Board.

4.6 Any casual vacancy among the Board shall be filled by the appointment of a replacement for the balance of the term of the replaced officer. The Chairman, with the approval of the Board, shall be responsible for selecting such replacements.

#### **5. BOARD PROCEDURES**

5.1 Voting at meetings of the Board shall be on the basis of one person one vote, with decisions being made by way of a simple majority. In the case of an equality of votes, the Chairperson of the Board shall have a casting vote in addition to their deliberative vote.

5.2 A resolution in writing signed by all members of the Board for the time being will be as effective and binding as if it had been passed at a duly convened meeting of the Board. Any such resolution may consist of several documents in like form each signed by one or more members of the Board. A facsimile or other electronic reproduction of any such document signed by members of the Board will be conclusive evidence of such resolution having been signed.

5.3 The quorum for a meeting of the Board shall be five (5) members of the Board.

5.4 Minutes shall be kept of the proceedings of the meetings of the Board. All such minutes shall be placed before the next Board meeting for confirmation.

5.5 The Board may delegate any of its powers to sub-committees consisting of such

Members as it thinks fit and may add to any sub-committee a Member or an employee of the Marketing Association. In the exercise of the power so delegated any such sub-committee shall conform to any requirements of the Board.

- 5.6 Meetings of the Board shall be held a minimum of once per calendar quarter. Any three (3) members of the Board may direct the calling of a meeting of the Board by a request in writing to the Chief Executive. At least seven (7) days' notice in writing shall be given to each Board member in respect of each meeting.

## **6. CHIEF EXECUTIVE**

- 6.1 The Chief Executive will be appointed by, and be responsible to, the Board, and will report directly to the Chairperson, on such terms and conditions as the Board shall determine.
- 6.2 The Chief Executive will operate and manage the Marketing Association within the parameters approved by the Board, and such other instructions and directions provided by the Board from time to time.

## **7. NOMINATING COMMITTEE:**

- 7.1 The Board shall appoint a Nominating Committee to identify suitable candidates for the Association's Board.
- 7.2 The Nominating Committee shall also invite nominations from the Association's members.
- 7.3 The Nominating Committee will provide the names of the Board member candidates to the Association's Secretary for inclusion in the formal papers distributed to members prior to the Annual General Meeting.
- 7.4 Members will elect the Chairman and Board members at an Annual General Meeting.

## **8. BOARD COMMITTEES**

- 8.1 The Board may discharge any of its responsibilities through committees of the Board in accordance with the Marketing Association Constitution to consider certain issues and function in more detail.

Each Committee shall adopt its own Terms of Reference to be approved by the Board, setting out matters relevant to its composition and responsibilities. The Terms of Reference will be reviewed periodically by the Board.

## **9. THE BOARD AND MANAGEMENT**

- 9.1 Responsibility for the day-to-day management and administration of the Marketing Association is delegated by the Board to the Chief Executive, assisted by the executive team ("management")
- 9.2 While the day-to-day responsibility for the operation of the Association is delegated to management, there are a number of matters which are required to be, or that in the interests of the Association should be, decided upon only by the Board of Directors as a whole.

- 9.3 The Chief Executive manages the Marketing Association in accordance with the strategy, plans and delegations approved by the Board.
- 9.2 The Board implements appropriate procedures to assess management's performance.

## **10. ROLE AND RESPONSIBILITIES OF THE CHAIRMAN**

- 10.1 The Chairman of the Board is elected biennially by Members at the Association's Annual General Meeting.
- 10.2 The Chairman must not also be the Chief Executive of the Marketing Association
- 10.3 The role and responsibilities of the Chairman include :
- a) providing leadership to the Board and to the Marketing Association
  - b) ensuring the efficient organisation and conduct of the Board
  - c) monitoring Board performance annually
  - d) facilitating Board discussions to ensure core issues facing the Marketing Association are addressed
  - e) briefing all Board Members in relation to issues arising at Board meetings
  - f) facilitating the effective contribution and ongoing development of all Board Members
  - g) promoting consultative and respectful relations between Board Members and between the Board and management, and
  - h) chairing Board and General Meetings
- 10.4 The Deputy Chairman shall chair meetings of the Board in the absence of the Chairman.

## **11. RESPONSIBILITY OF INDIVIDUAL BOARD MEMBERS**

- 11.1 Board Members are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors.

Broadly these include :

- a) acting in good faith and in the best interests of the Marketing Association as a whole
  - b) acting with care and diligence and for proper purpose
  - c) avoiding conflicts of interest wherever possible, and
  - d) refraining from making improper use of information gained through the position of Board Member and from taking improper advantage of the position of Board Member
- 11.2 Board Members are expected to support the letter and spirit of Board decisions.
- 11.3 Board Members will keep Board information, discussions, deliberations and decisions which are not publicly known confidential.

## **12. CONFLICTS OF INTEREST**

- 12.1 Conflicts of interest arise when personal interests or a duty to another person or organisation conflicts with the Board member's duty to the Marketing Association.
- 12.2 Board members must :

- a) disclose to the Board any actual or potential conflicts of interest\* which may exist or be thought to exist as soon as they become aware of the issue
- b) take any necessary and reasonable measures to try to resolve the conflict, and

12.3 If a conflict or potential situation exists, it is expected that the conflicted Board Member shall be absent from the meeting whilst the Board discusses and shall not vote on the matter, unless the other board Members who do not have a material personal interest in the matter have passed a resolution that states that those Board Members are satisfied that the interest should not disqualify the Board Member from voting or being present.

12.4 Every declaration of a conflict of interest by a Board member shall be recorded in the minutes of the meeting at the time it is declared.

- \* Any director who :
- is employed by
  - is directly or indirectly a party to a transaction
  - is a parent, child or spouse of a party to a transaction
  - is a director, officer or trustee of a party to the transaction
  - provides services to the Marketing Association or receives any benefit from the Marketing Association

### **13. ACCESS TO INFORMATION**

13.1 Board Members will be entitled to have access to members of management via the Chief Executive at any time to request relevant and additional information or seek explanations.

### **14. REPORTING**

14.1 Proceedings of all meetings are minuted and signed by the Chairman or the chairman of the meeting

14.2 Minutes of all Board meetings are circulated to Board Members and approved by the Board at the subsequent meeting.

### **15. REVIEW**

15.1 The Board will review this Governance Document annually to ensure it remains consistent with the Board's objectives and responsibilities.

### **16. COMPLIANCE WITH INCORPORATED SOCIETIES ACT**

16.1 The Marketing Association is a registered Incorporated Society. As such it complies with The Incorporated Societies Act, providing annual financial reports to the Registrar's office together with amendments to the Constitution as approved by its members at an Annual or Special General Meeting.