



Council Charter and Policies

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Council Charter

On behalf of members, key stakeholders and the public, the Council of InternetNZ is responsible for the stewardship and future well-being of the organisation.

In summary the Council in discharging its responsibilities:

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

Responsibilities of the Council

1. Meeting legal requirements

The Council's first duty is to the organisation. In meeting this duty Council members must ensure that all applicable legal requirements are met and that the organisation is protected from harmful situations and circumstances in the interests of current and future stakeholders.

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

Councillors in discharging its responsibilities:

Should exercise leadership, enterprise, integrity and judgement in directing the organisation in order to provide assurance of its continuing and lasting success, with the public interest always at the forefront of their minds.

Have a duty to act in the best interests of InternetNZ as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations. Council members' first duty and loyalty must be to the legal entity.

In particular, Council members have the following legal obligations:

1. A Council member can only exercise a power for a proper purpose.
2. A Council member must not act, or agree to the organisation acting, in a manner that contravenes relevant Acts or the Constitution of the organisation.
3. A Council member cannot agree to the business of the organisation being carried on in a manner likely to create a substantial risk of serious loss to the organisation's creditors.
4. A Council member cannot agree to the organisation incurring an obligation unless the Council member believes at that time on reasonable grounds that the organisation will be able to perform the obligation when it is required to do so.
5. A Council member, when exercising powers or performing duties in that role, has to exercise the care, diligence, and skill that a reasonable person would exercise in the same circumstances.
6. A Council member, when exercising powers or performing duties in that role, can rely on reports, statements, and financial data and other information prepared or supplied, and on professional or expert advice.
7. A Council member must, as soon as they become aware of the fact that they have a personal interest in a transaction or proposed transaction with the organisation, make sure this is noted in the interests register.
8. A Council member who has information in their capacity as a Council member, being information that would not otherwise be available to them, must not disclose that information to any person, or make use of or act on the information, except for the purposes of the organisation or as required by law.

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

2. Governance philosophy and approach

The Council will govern InternetNZ with an emphasis on:

- serving the legitimate collective interests of the present members / stakeholders / beneficiaries of InternetNZ and accounting to them for the performance of the organisation and for the Council's stewardship;
- remaining up to date about members' and key stakeholders' concerns, needs and aspirations;
- developing a future focus, rather than being preoccupied with the present or the past;
- providing leadership in the exploration of strategic issues, rather than becoming distracted by administrative detail;
- behaving proactively, rather than reacting to events and others' initiatives;
- bringing a diversity of opinions and views to bear on its decisions;
- the development and expression of a collective responsibility for all aspects of the organisation; and
- ensuring there are positive conditions for the motivation of the Chief Executive and that there is adequate training to support them in their role.

3. Other

The Council will perform such other functions as prescribed by law or assigned to the Council under InternetNZ's governing documents. This shall include:

- appointing (and removing) the chair and directors of the Domain Name Commission Limited.
- making key decisions regarding aspects of the .nz domain name space e.g. pricing, policies.

Expectations of Council Members

To execute these governance responsibilities, Council members must, so far as possible, possess certain characteristics, abilities and understandings:

1. Enacting legal duties

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

2. Strategic orientation

Council members should be future oriented, demonstrating vision and foresight.

3. Integrity and accountability

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

4. Informed and independent judgement

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

5. Financial literacy

Council members are jointly accountable for the financial performance of the organisation therefore all Council members must be financially literate.

6. Industry and sector knowledge

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

7. Participation

Each Council member is expected to enhance the Council's deliberations by actively engaging in value adding Council dialogue and decision-making.

Governance Process Policies

Code of Ethics

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

Council members shall:

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

The Council collectively shall:

1. Make every reasonable effort to ensure that InternetNZ does not raise community, supplier or stakeholder expectations that cannot be fulfilled.
2. Meet its responsibility to ensure that all staff employed by InternetNZ are treated with due respect and are provided with a working environment and working conditions that meet all reasonable standards of employment as defined in relevant workplace legislation.

3. Carry out its meetings in such a manner as to ensure fair and full participation of all Council members.

Strategic Direction and Planning

An essential element in the Council's leadership role is its responsibility to establish a Statement of Strategic Direction for InternetNZ. Accompanying this is an ongoing responsibility to identify organisational priorities, monitor progress towards the achievement of the stated outcomes and approve the annual budget.

Accordingly, the Council will annually:

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

Financial Governance

The Council has a core duty to ensure the financial integrity and viability of InternetNZ. This entails oversight of all financial processes and systems, regular review of financial results and, annually, adopting InternetNZ's financial plan and budget and financial announcements.

Accordingly, the Council will:

9. Develop, review and monitor the implementation of governance-level financial policies.
10. Provide guidance on budget parameters and priorities, and confirm that the annual budget and financial plan, including capital expenditure, is consistent with those parameters and priorities.¹
11. Approve expenditure outside budget parameters that the Council determines to be material.
12. Review and approve the full-year financial statements, reports and outcomes.
13. Receive and approve the Audit and Risk Committee's annual plan and scheduled reports
14. Receive and review regularly scheduled financial statements, reports and projections to ensure consistency with Council-set parameters

Conflict of Interests

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

1. Any business or personal matter which could lead to a conflict of interest of a material nature involving a Council member and their role and relationship with InternetNZ, must be declared and registered in the Register of Interests.

¹ The Council does not approve the operating budget. It is the CE's response to the Council's budgeting policy. The Council ensures it is consistent with that policy.

2. All such entries in the Register shall be presented to the Council and minuted at the first Council meeting following entry in the records.
3. All conflicts of interest must be declared by the Council member concerned at the earliest time after the conflict is identified. Normally there will be the opportunity at the commencement of each Council meeting for conflicts of interest to be declared.
4. The Council shall determine whether the conflict is of a material nature and shall advise the individual accordingly.
5. Where a conflict of interest is identified and/or registered, and the Council has declared that it is of material benefit to the individual or material significance to the organisation, the Council member concerned shall not vote on any resolution relating to that conflict or issue.
6. The Council member shall only remain in the room during any related discussion with Council approval.
7. The Council will determine what records and other documentation relating to the matter will be available to the Council member.
8. All such occurrences will be minuted.
9. Individual Council members, aware of a real or potential conflict of interest of another Council member, have a responsibility to bring this to the notice of the Council.
10. For the sake of completeness possible conflicts of interest are outlined and may include;
 - When a Council member, or their immediate family or business interests, stands to gain financially from any business dealings, programmes or services of InternetNZ or any of its subsidiaries
 - When a Council member themselves offers a professional service to InternetNZ or any of its subsidiaries
 - When a Council member stands to gain personally or professionally from any insider knowledge if that knowledge is used to his or her personal or professional advantage
 - Where a Council member is on another body that may have competing or conflicting interests or where knowledge of InternetNZ views or information might unduly favour the member's other appointment/organisation.

Health and Safety at Work

The Council has a core duty to ensure that all relevant elements in the Health and Safety at Work 2015 Act are met.

Accordingly, the Council will:

1. Ensure that all Council members understand and discharge their duties and responsibilities under the Act.
2. Ensure that robust systems are designed so that the Council will receive regular information in the form of written and verbal reports necessary to exercise its duties under the Act.
3. Verify that records are maintained in a timely and accurate fashion enabling tracking of events, trends and responses/actions.

4. Understand the hazards and risks that employees and volunteers are, or might be, exposed to in carrying out their duties.
5. Design a system that ensures that all Council members have the opportunity of personal exposure to workplace processes where there is exposure to risk.
6. Annually undertake a formal assessment of compliance with Council members' duties and responsibilities under the Act.
7. Ensure that budget planning takes account of all requirements under the Act.

Risk Management

The Council will identify and evaluate the principal risks faced by InternetNZ and ensure that appropriate systems are in place to avoid or mitigate these risks including the protection of intellectual capital.

Accordingly, the Council will:

1. Engage actively in characterising and monitoring risks associated with the achievement of its overall objectives.
2. Ensure that robust risk management policies and processes are developed and monitored addressing all areas of organisational risk and that the Council is kept abreast of all key corporate risks areas and strategies in a timely manner.
3. Develop a 'risk aware' culture in which both Councillors and staff are encouraged to identify risks and respond to them quickly and effectively.
4. Make clear the processes required to enable it to keep abreast of all organisation risk areas.
5. Ensure that suitable internal controls are in place and are enacted and monitored to ensure effective and efficient operation and management of the organisation's resources.
6. Ensure that the organisation is governed and managed in accordance with its constitution and policies.
7. Ensure that proper accounting records are kept.
8. Ensure prompt investigation of any material shortfalls or breaches in compliance or risk management standards.

Council Committees and Working Parties

The Council will establish committees and working parties to support it in its governance work.

1. The work of committees and working parties should not conflict with the Chief Executive's delegated responsibilities.
2. Committees and working parties may co-opt outside members from time-to-time in order to bring additional skills, experience or networks.
3. The Council will determine and agree the skills and expertise required to be on a committee.
4. Committees and working parties shall not exercise authority over staff nor shall they delegate tasks to any staff unless the Chief Executive has specifically agreed to such delegations.
5. Unless explicitly empowered by the Council, committees or working parties cannot make binding Council decisions or speak for the Council. For the most

part the function of committees and working parties, in fulfilling their role, is to make recommendations to the Council.

Council Meetings

The majority of Council business will be conducted in Council meetings. In order to ensure effective meetings, the following principles apply:

1. The Council will make the best possible use of its meetings by dealing only with matters that have governance-level significance, by focusing primarily on the future and, within a defined policy framework, by delegating as much as possible to the Chief Executive.
2. The Council / CEO interactions are supported by clear papers that maintain an appropriate governance-level information and analysis style, supporting the Council in doing its work effectively.
3. The Council will develop a work plan covering the next 12 months that;
 - ensures the Council regularly reviews progress towards the achievement of the strategic direction/strategic plan and relevant strategic issues,
 - provides assurance that all relevant compliance requirements are addressed, and
 - improves Council performance through education and continuous focus on its governance effectiveness.
4. The President will, in consultation with the Chief Executive, establish the agenda for each Council meeting although each Council member is free to suggest the inclusion of item(s) on the agenda. The focus of the meeting will be a topic(s) drawn from the work plan. All Council members have the opportunity to contribute to the agenda.
5. The Council will normally meet six times a year; however, Council meetings may be scheduled at other times or at other frequencies as determined by the Council.
6. Council meetings will be conducted in an open and constructive manner, recognising that genuinely held differences of opinion can bring greater clarity and lead to better decisions.
7. Council members will receive their Council papers at least five working days prior to the meeting.
8. Others (e.g. staff) may participate in Council meetings at the Council's discretion. Such attendees will respect the Council's integrity and accountability and will accept any constraints imposed by the Council or the President on their participation and presence.
9. The Council may hold 'Council only' sessions at its discretion. Such sessions, which will usually be scheduled prior to or at the commencement of the meeting, should not exclude the Chief Executive from deliberations on matters to which his/her role as the Council's chief adviser would be compromised.

Monitoring Operational Performance

The Council has a duty to oversee and monitor the performance of the operational organisation.

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

Media statements

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

1. The President shall be the spokesperson for governance-related matters and all other matters that the Council determines are best presented by the President.
2. The Chief Executive shall be the spokesperson for all operational matters and all other matters that the Council deems are best presented by the Chief Executive.
 - a. The Chief Executive may permit specified staff to act on his/her behalf but remains accountable for such delegation.

Councillor Induction

The Council will provide all newly appointed Council members with a thorough induction into the affairs of both the Council and InternetNZ at large.

1. All prospective Council members will be provided with all relevant information.
2. Upon appointment/election and prior to attendance at their first Council meeting, new Council members will:
 - a. Receive a copy of the Council Manual including Governance policies, Articles/Constitution and other relevant legal governance documentation, current and recent meeting papers, an organisational chart, contact details for other Council members and key staff, a glossary of key terms, definitions and acronyms, the current year's meeting schedule and the annual agenda.
 - b. Meet with the President for a governance familiarisation. This meeting may be held as a group session or with individuals.
 - c. Meet with the Chief Executive for an operational familiarisation.

Council and Council member Performance Assessment and Professional Development

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

1. The Council will undertake a bi-annual structured assessment of its performance and a bi-annual assessment of the performance of individual Council members, including specifically the President.
 - a. The criteria for assessing the Council's performance will be drawn from the documented policies of the Council together with any further criteria agreed by the Council from time-to-time. The outcomes of the assessment will establish the upcoming requirements for the effective governance and Council leadership of the organisation.
 - b. A suitably qualified independent specialist may be used to assist the Council in this process.
 - c. The assessment process shall culminate in a report presented to the Council analysing the data and providing recommendations for improvements as required.
 - d. A Peer and Self-assessment process may be included in the process, the criteria based on a set of competencies agreed by the Council.
2. An annual Council Governance budget will be established that includes provision for both Council and individual Council member performance assessment and professional development together with other governance associated costs. The quantum of this budget item will be determined on a year by year basis. This cost will be made public as part of Council's commitment to transparency.
3. All Council members will be encouraged to undertake relevant professional development. The Council will pay all costs associated with this training, including travel.
4. Council members will be encouraged to attend conferences relevant to their role as Council members or conferences related to other aspects of their role as Council members of InternetNZ. The Council will consider covering all or some of the costs associated with such attendance on a case by case basis.
5. All costs associated with governance effectiveness will be designed to ensure the development of the highest standard of governance including; meeting costs associated with effective communication with owners and other key stakeholders, surveys and associated analysis, focus groups, the costs associated with external audit and other independent third-party reviews or consulting input.

President Role

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

1. The President will chair Council meetings ensuring that:

- a. Meeting discussion content is confined to governance matters as defined in the Council's policies.
 - b. All Council members are treated even-handedly and fairly.
 - c. All Council members are encouraged and enabled to contribute to the Council's deliberations.
2. The President has no authority to unilaterally change any aspect of Council policy.
 3. The President will ensure that Council meetings are properly planned to include the development and distribution of Council papers in a timely manner and that the minutes accurately reflect the deliberations and decisions of the Council.
 4. The President is responsible for ensuring that Council meetings are focused on the right matters and that time is allocated to apply sufficient attention to those.
 5. The President will ensure that all Council decisions are understood by Council members and accurately recorded.
 6. With the approval of the Council the President may establish a regular communication arrangement with the Chief Executive in which there is an exchange of information. This might also provide an opportunity for the Chief Executive to use such sessions as a sounding out Council for proposed actions or to check interpretations of Council policy. However;
 - a. The President will recognise that such sessions are not used to 'personally' supervise or direct the Chief Executive.
 - b. The President will maintain an appropriate professional distance from the Chief Executive to ensure objectivity and attention to governance matters and concerns,
 - c. The President will not inhibit the free flow of information to the Council necessary for sound governance. Therefore, the President will never come between the Council and its formal links with the Chief Executive.
 7. The President may delegate aspects of the authority accompanying the position but remains accountable for the overall role.

Vice-President Role

In addition to the requirements set out for Council Members, the Vice-President has the following additional functions:

- support the President in their role as outlined above.
- act in the absence or incapacity of the President
- other duties and responsibilities specifically defined in the Constitution

Indemnities and Insurance

InternetNZ will provide Council members with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as Councillors, to the fullest extent permitted by the relevant legislation. This shall be consistent with Clause 6.12 in the InternetNZ constitution.

Reimbursement of Council members' expenses

InternetNZ will reimburse all reasonable expenses incurred by Council members in the carrying out of their role.

Remuneration of Council members

InternetNZ will remunerate Council members on a basis reviewed every three years by the Council. Rates of remuneration will be reported annually to stakeholders as part of transparency around the wider cost of governance.

Council-Chief Executive Interrelationship Policies

Delegation to the Chief Executive

The Council delegates to the Chief Executive responsibility for delivering the outcomes stated in its Statement of Strategic Direction/Strategic Plan while complying with the Chief Executive Delegation policies.

1. The Chief Executive is the sole linkage and point of accountability between the Council and the operational organisation.
2. The Council will view Chief Executive performance as identical to total management performance so that the achievement of successful organisation outcomes will be regarded as successful Chief Executive performance.
3. Only the Council acting as a body can instruct the Chief Executive. Typically, all instruction to the Chief Executive will be codified as policy.
4. The Council will make clear InternetNZ's strategic direction including performance indicators to be applied by the Council when reviewing the organisation's and the Chief Executive's performance.
5. The Council will make clear to the Chief Executive in writing the conditions and circumstances that the Council deems to be unacceptable, allowing the Chief Executive any reasonable interpretation of these (further defined in the Chief Executive Authority policy).
 - a. As the Council's principal officer, the Council holds the Chief Executive accountable for ensuring that all such conditions and circumstances are avoided.
6. The Chief Executive is responsible for the employment, management and performance management of all staff employed/contracted to the organisation.
 - a. Neither the Council nor individual Council members will 'instruct' staff in any matters relating to their work.
7. Provided that the Chief Executive achieves the outcomes sought by the Council and does so in a manner consistent with the Council's policies and InternetNZ's values, the Council will respect and support the Chief Executive's choice of actions.
8. The expert knowledge and experience of individual Council members is available to the Chief Executive at their initiative.

Chief Executive Authority

1. As long as the Chief Executive applies 'any reasonable interpretation' of the Council's policies, i.e. does not set out to defeat their stated intent or spirit, they are authorised to establish all operational policies, make all operational decisions and design and implement and manage all operational practices and activities.
2. Acknowledging a Council member's right to have access to information necessary to meet his/her duty of care to the organisation, the Chief Executive may refuse instructions or requests from individual Council members or from

unofficial groups of Council members if, in their opinion, such requests or instructions are:

- a. Inconsistent with the Council's policies;
 - b. are deemed to make unjustifiable intrusions into the Chief Executive's or other staff members' time; or
 - c. are an unjustifiable cost to the organisation.
3. The Chief Executive must notify the President of the use of point 2 and the Chief Executive at their own discretion may notify the Council.

Chief Executive Remuneration

Chief Executive remuneration will be decided by the Council based on terms and conditions that reflect the organisation's performance and executive market conditions.

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

Chief Executive Performance Assessment

The Chief Executive's performance will be continuously, systematically and rigorously assessed by the Council against achievement of the Council-determined strategic outcomes and compliance with Chief Executive Delegation policies. The Council will provide regular performance feedback to the Chief Executive.

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

Chief Executive Delegation Policies

Overarching Chief Executive Limitation

As the Council's principal officer, the Council holds the Chief Executive accountable for ensuring that neither he/she or any organisational employees take, allow or approve any action or circumstance in the name of InternetNZ that is in breach of the law, is imprudent, which contravenes any organisation specific or commonly held business or professional ethic or is in breach of generally accepted accounting principles.

Financial Management

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

1. Organisational funds are committed, contracts entered into or liabilities incurred other than for the implementation of Council-approved purposes and priorities.
2. Expenditure exceeds the revenue received in the financial year or annual budget or policy parameters unless offset by approved borrowings or Council-approved withdrawals from reserves.
3. Undisputed invoices from suppliers of goods and services remain unpaid beyond trade credit terms agreed with those suppliers.
4. Land and buildings are acquired, encumbered or disposed of.
5. Staff have access to credit or other purchasing cards without limitations on expenditure or adequate controls on their use.
6. A transaction is entered into that affects more than 25% of gross assets or 25% of budgeted annual revenue without Council approval.

Budgeting and Financial Planning

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

1. There is too little available information to enable (a) a credible projection of revenues and expenses, (b) separation of capital and operational items, (c) projection of cash flows, and (d) disclosure of planning assumptions.
2. Financial risks are created that exceed Council-determined parameters.
3. Expenditure is incurred within any financial year that could result in default under any of InternetNZ's financing agreements, or risk insolvency.

4. Could result in the achievement of a 'bottom line' materially different from that determined by the Council, e.g. a predetermined surplus, acceptable deficit or balanced budget.
5. Omits Council developmental and other governance related expenditure.

Remuneration and Benefits

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

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

Protection of Assets

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

1. Unauthorised persons are permitted to handle cash.
2. Organisation funds are processed or dispersed outside of controls acceptable to the organisation's official auditor.
3. Assets are insured for less than is necessary for prudent risk-management.
4. Council members and/or staff are unprotected against claims of liability.
5. Goods or services are purchased without protection against conflicts of interest.
6. There is inadequate protection against theft, improper use or significant damage to intellectual property and organisation information or information systems.
7. The organisation's good name and reputation is harmed to the extent that the achievement of its Purpose and Strategic Intent are impeded.
8. The organisation lacks a 'best-state-of-preparedness' necessary for the maintenance of effective and efficient operation in the event of conceivable or unanticipated risk.

Communication & Support to the Council

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

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

Emergency Chief Executive Succession

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

Employment Conditions

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

1. Employees work under adverse conditions or are managed in a manner that may invite behaviour contrary to InternetNZ's values or that might undermine InternetNZ's trust and reputation with its stakeholders.
2. There are no clear guidelines as to employee rights, entitlements and workplace obligations.
3. Employees are placed in 'inequitable', 'unsafe', 'undignified' or 'unfair' working conditions or circumstances as defined in relevant workplace legislation.
4. Employees and volunteers and others to whom InternetNZ owes a duty of care, are exposed to, unprotected from, or unprepared-for hazardous and risky situations or circumstances that could result in harm as specified in the Health and Safety at Work Act.
5. Staff are denied engagement in planning and review of health and safety policies and procedures.
6. Continuous improvement protocols are omitted in the design and execution of health and safety systems and processes.
7. Employees are denied the right to an approved and fair internal grievance process.
8. Employees are uninformed of their rights under this policy.
9. Employees who report directly to the CEO are appointed, dismissed or subject to a change in their employment out of line with the rest of the organisation without Council first being made aware and given sufficient opportunity to scrutinise the proposed action for any potential conflict of interest.
10. A restructuring is proposed that affects more than 25% of roles without Council first being made aware and being given sufficient opportunity to scrutinise the impact of the restructuring.

Stakeholder Engagement

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

1. The good name of the organisation is placed at risk as the result of poor quality interpersonal or inter organisational communication.
2. Unrealistic expectations are created or implied that could cause hardship to either party, i.e. deviation from organisation policy.
3. InternetNZ is unaware of the expectations, needs and aspirations of key stakeholders as these relate to the organisations' planning and programme delivery systems.

4. The Council is uninformed of any significant change in relationship status with a key stakeholder, notably in regard to revenue.

Public Affairs

As the Council's principal officer, the Council holds the Chief Executive accountable for ensuring that neither he/she or other organisation personnel undertake, approve or in any way support any action or circumstances that are directly or indirectly demeaning or derogatory or in any way damaging to InternetNZ.

Committee Terms of Reference

The current Terms of Reference for all current Committees:

[Audit & Risk Terms of Reference](#)

[.nz Advisory Committee Terms of Reference](#)

[Te Komiti Whakauru Māori Terms of Reference](#)

[Governance Committee Terms of Reference](#)

[Chief Executive Review Committee Terms of Reference](#)