



INSTITUTE OF DIRECTORS (Inc.) COUNCIL CHARTER

1. Introduction

The IoD is an incorporated society under the Incorporated Societies Act 1908 (the **Act**). The Act requires an incorporated society to have rules which provide for specified matters including its membership, objects and the appointment of its officers. The rules of the IoD (the **Rules**) are on its website and available [here](#). Capitalised terms used in this Charter are defined in the Rules.

2. Purpose

Council is constituted under, and operates in accordance with, the Rules. The purposes of the IoD are to:

- a. promote excellence in governance
- b. represent the interests of members
- c. enhance the standard and effectiveness of directors and board members
- d. facilitate professional education and development in governance
- e. enhance the effectiveness of governance in New Zealand, including in the interest of the community as a whole; and
- f. contribute to national and international debate and share knowledge on all matters relating to governance.

This Charter sets out the role of Council. It is approved by Council and will be reviewed and updated by Council from time to time, at least every two years.

3. Role of Council

Council's role is focused on members, representing and presenting a membership and ensuring members are well supported. It is the guardian of the IoD, its purposes (including its Rules) and is responsible for:

- representing all members, including through Branches and enabling the Board to engage with the diverse needs and perspectives of members
- appointing Board members to the Board (with the advice of the Nominations Committee)
- appointing a Nominations Committee (to identify, interview and recommend to Council potential candidates for appointment to the Board)
- monitoring the overall performance of the Board, including consideration of Board evaluations and succession planning
- overseeing membership related matters such as setting the amount of subscriptions and levies, establishing and amending categories of membership, and the granting of Chartered and Fellowship status (through a Membership Committee)
- engaging with the Board in relation to the Board's strategic planning for members

- hearing and determining complaints against members (through a Standards Committee); and
- establishing and/or disestablishing Branches in accordance with the Rules.

4. Composition and appointment process

Council will be comprised of branch representatives, a President and Vice President.

Each Councillor is appointed by the applicable Branch Committee prior to the AGM in accordance with the Rules.

IoD employees are not eligible for appointment to Council.

5. President and Vice President

A President and Vice President shall be elected by Council. The President's role includes:

- acting as the standard bearer for the IoD
- chairing Council meetings
- attending Board meetings
- assisting with member engagement activities; and
- providing a connection and interface between Council and the Board.

The Vice President deputises for the President and usually succeeds the President.

6. Term

Councillors shall be appointed at each AGM and hold office until the next AGM.

The President and Vice President will be appointed for a term of up to two years.

7. Induction

Council will ensure that new Councillors are appropriately inducted into the organisation, including receiving a copy of the Rules, Charters and relevant Council papers, minutes policies, and briefings from senior management.

8. Meetings

Council will meet not less than three times a year, including before the AGM (for a joint session with the Board):

- Meetings may be attended in person or by telephone or videoconference
- A quorum of not less than five Councillors is required
- The Board Chair and Chief Executive Officer (and management as required) attend Council meetings as observers (ex officio).

The President prepares the agenda with support from management, who distribute meeting papers electronically prior to a meeting. Hard copies are provided on request.

Management prepare the minutes of Council meetings. Draft minutes are submitted to the President for approval within seven days of the meeting and then distributed to Councillors.

Council is expected to make decisions by consensus and in the best interests of the IoD.

9. Independence and disclosure of interests

Councillors should be independent and free from any business or other relationship which could materially interfere with the exercise of independent judgement.

Where a conflict of interest arises or may arise, a member must disclose the conflict to the President. The President will ensure that measures are put in place to protect parties affected by a conflict of interest.

10. Vacancies

Where there is a vacancy on Council, the relevant Branch may appoint a member of the Branch Committee to fill the vacancy. Any person so appointed holds office until the next AGM but is eligible for re-appointment at that time.

11. Remuneration and reimbursement

The role of Councillor is unpaid. However, the IoD will reimburse the reasonable expenses of Councillors in attending the meetings of Council or any committee(s) thereof (such as taxis, flights and accommodation).

12. Council committees

Council has three standing committees. It may form other committees as and when required. The roles of each committee are set out in separate Charters which have been approved by Council and will be regularly reviewed (at least every two years).

Nominations Committee

The Nominations Committee will consist of five people:

- a nominee of Council
- two independent and qualified people appointed by Council who are not (and have not been) on Council or the Board (generally members)
- a past IoD President or Distinguished Fellow appointed by Council; and
- the current IoD Board Chair (or his or her nominee).

The Nominations Committee is convened at least annually and meets as and when required to consider Board composition and succession planning, including:

- develop an appointment matrix and selection criteria to identify suitably qualified candidates for appointment to the Board
- interviewing and shortlisting those candidates; and
- making recommendations to Council for Board member appointments and re-appointments.

Membership Committee

The Membership Committee consists of at least three Councillors. Regular meetings are scheduled throughout the year.

The role of the Membership Committee is to deal with membership matters, including approving applications for membership, and reviewing and recommending to Council changes to membership categories, fellowships and other similar matters.

Standards Committee

The Standards Committee consists of at least two Councillors and one independent person (not an IoD member), eg a lawyer appointed by Council.

The role of the Standards Committee is to oversee the standards process and to hear and determine complaints or disciplinary matters in accordance with the relevant provisions of the IoD Rules [and the Code of Practice for Directors, published by Council from time to time]. It is convened as required.

13. Council/Board relationship

Council and Board have different roles and responsibilities, as defined by the Rules. The Council acts as guardian of the IoD (and provides a member voice), the Board oversees the operation of the IoD.

The Council and Board (through the President and Chair) are expected to maintain an open and constructive dialogue to ensure each body is able to discharge its responsibilities effectively.

14. Council/Management relationship

Council links to the IoD's membership and management functions, through the CEO and management who support Council to carry out its functions, including the work of Council Committees.

15. Evaluation of Performance

A review process, under the supervision of the President, will be undertaken from time to time, with the aim of continuous improvement of Council and its Committees.



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