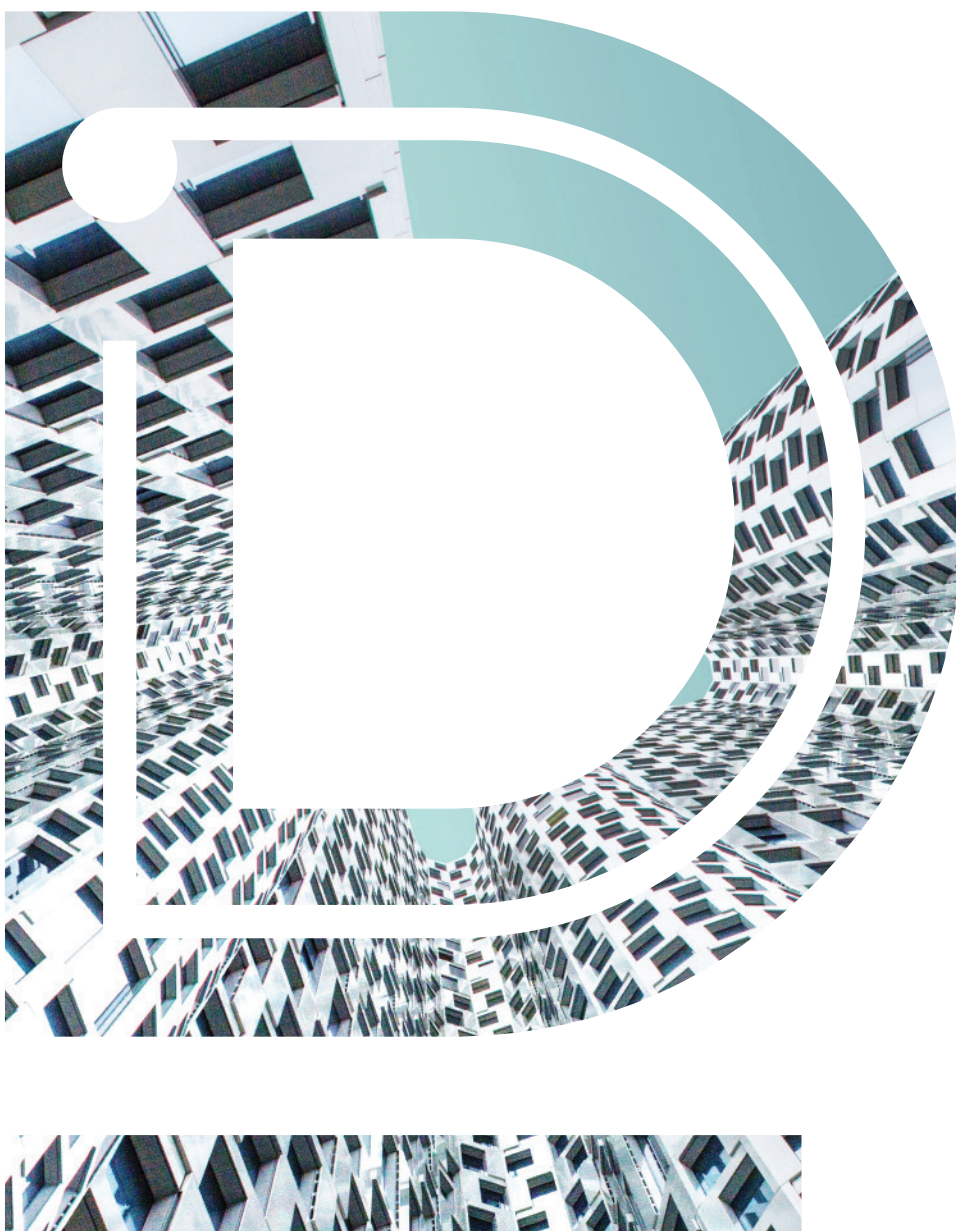


Future Directors –
bringing the next generation
of governance talent to your
boardroom



Become a host board

Designed to help develop the next generation of directors, Future Directors envisages a New Zealand with boards that are diverse, hardworking and focused on their shareholders, customers, staff, suppliers and communities.

Play your part in increasing the depth of talent in New Zealand's governance community.





An invitation to chairs

This is an invitation from Sir Stephen Tindall, Michael Stiassny and Des Hunt for your board(s) to join the Future Directors' initiative.

Our vision is a New Zealand with boards that are diverse, hardworking and focused on their shareholders, customers, staff, suppliers and their communities. Future Directors will ensure the pool of Future Directors is wide enough, deep enough and in keeping with this vision.

We offer you the opportunity to bring some of New Zealand's finest new talent into your boardroom, giving you access to skills and perspectives which are often different from traditional New Zealand boardrooms.

Designed to develop the next generation of directors, we seek out high caliber director candidates and match them with organisations, like yours, which are willing to make a commitment to developing their skills.

In hosting a Future Director, you'll be giving them a real head start in high level governance. In return, your existing board may benefit from new perspectives and insights on emerging board issues including technology, privacy, sustainability and diversity. We think it's a win-win for boards and the Future Directors.

We have a significant database of talent who wish to be considered as Future Directors. To commit to New Zealand's future success by becoming a host organisation, contact the Future Directors' Programme Manager, Stella Kotrotsos at futuredirectors@iod.org.nz or phone 04 470 2672.

Warm regards

Sir Stephen Tindall
(The Warehouse/Tindall Foundation)

Des Hunt
(NZ Shareholders Association)

Michael Stiassny
(past IoD President)

“The Warehouse is committed to supporting the next generation of governance talent and gender diversity in the boardroom. As New Zealand’s largest retailer, the wealth of experience we have at the board level means we can offer important learning opportunities. We believe this programme is vital to developing and fostering young executives to help them succeed at governance level.”

Sir Stephen Tindall, Founder, The Warehouse Group

“Companies participating in the Future Directors’ programme will gain an advantage from the contribution of new and fresh thinking. Also, there is an indirect but real benefit of assisting the growth of New Zealand’s gene pool of director candidates.”

Joan Withers, Chair, Warehouse Group, Past Chair
Auckland Airport and Mercury

Why host a Future Director?

Future Directors aims to give new governance talent the opportunity to observe and participate on a company board for 12 or 18 months.

Reasons you may wish to host a Future Director include:

- To bring a fresh perspective and insights into your boardroom and tap into the skill sets of a generation that does things differently
- See how diversity of thought can impact your board dynamics
- Develop and foster talent to help them succeed at a governance level in tomorrow's boardrooms
- Help address the experience gap faced by skilled younger professionals seeking to move into senior corporate governance roles
- A more diverse board and leadership is likely to lead to a better performing company
- Important to the long term growth and prosperity of the New Zealand market, boards need to ensure they have access to a broad and talented pool of directors
- Allows you to tap into a range of skills and sector experience that you can specify to suit your requirements

It positions your company as an organisation committed to diversity

Your organisation's participation is acknowledged through IoD and other media channels

Host boards

Originally open only to NZX-listed companies, we have now extended the Future Directors' programme to include state sector, local, regional and not-for-profit boards to better reflect the landscape of New Zealand's director communities. Contact us to see if your board qualifies to be a host.

Future Directors will most likely be:

- High achieving managers or top executives who have developed an interest in governance and are looking to progress their governance journey
- Younger than the majority of existing board members, although hosts may set age criteria
- Have a range of skills and sector experience which meet host board requirements.

The process

Agreement

The host board agrees to participate in the Future Directors' programme and advises the IoD.

Defining your board's requirements

The host board will identify the skills and experience required in a Future Director candidate, and complete the Future Director Host Questionnaire. This will help the IoD or search firm to understand the requirements and help find a suitable candidate. The questionnaire covers key criteria such as skills, experience, qualifications, geographical location and sector experience, through to meeting structure, time commitment and remuneration.

Database search, candidate longlisting review and shortlisting

The IoD has an extensive database that is searched based on your candidate requirements. The IoD then promotes your Future Director vacancy directly to the candidates in the database that match your needs. These candidates can then apply directly to the host board to review and shortlist for interviewing. Your board may have an existing relationship with a search firm and you may wish to use them. Alternatively, the IoD works closely with a number of executive search agencies, as well as utilising our own extensive Director Search database and board recruitment services. Public and state sector boards may use their own search services including nominations' managers and candidate databases. The search agency will review potential candidates and present a longlist to the host board.

Interviews, due diligence and reference checking

The host chair and one or two board members (the panel) will interview shortlisted candidates to make a selection. The IoD or your search firm/nominations' manager is available to support this process through the provision of interview questions and reference checking templates should you need them.

Selection, offer and appointment

The choice of applicant is at the sole discretion of the host board and the IoD takes no responsibility for verification of information provided as part of the application process. It is important to undertake your own due diligence on candidates. Once you have selected your Future Director, a letter of appointment is drawn up and agreed to and this will govern the relationship between the parties. The IoD can provide a draft letter of appointment template for you to use.

Terms of Appointment

Host boards may choose to make the Future Directors' term 12 or 18 months. It is up to the host board to decide the most appropriate tenure, depending on your financial calendar and number of times the board meets in a year.

Remuneration for the set period is at the discretion of the host board and there is no 'one size fits all' model. Variables should be considered to ensure a fair and defensible remuneration level is reached, particularly in relation to what existing board members are being paid. Most boards pay around 30% of a board director's salary, as a general guide, while others chose to pay the equivalent of a non-executive director, recognising the time and preparation involved for the Future Director.

As the Future Director is not being engaged as a director of the company, the IoD recommends that all host boards put into effect and maintain insurance for the Future Director as an 'officer' under the terms of the company's existing directors' and officers' liability insurance policy.

The host board will support and mentor the Future Director during the 12 or 18 month placement, and provide their Future Director with the IoD's Guide for Future Directors to help them make the most out of the programme.

Advising the IoD

The host board will advise the IoD of the details of the Future Directors' appointment for promotion on the Future Directors' website and other media promotion. All host boards and their Future Directors are invited to attend the annual networking function in the second half of each year.

“From my interaction with listed public companies, I see a need for more diversity if our companies are to grow and be successful. They need to understand what technology can do for their business and without diversity on their board, this will be difficult to achieve.”

Des Hunt, Future Directors’ founder and member of the New Zealand Shareholders Association

“We are committed to the Future Directors’ initiative because we strongly believe in developing the next generation of public company directors and helping to address the experience gap faced by skilled younger professionals who are seeking to move into senior corporate governance roles. We believe diversity allows us to benefit from a range of different perspectives and that a Future Directors’ business skills and insights will be of real value to our board discussions.”

Tony Carter, Chair, Fisher & Paykel Healthcare



Future Directors

iod.org.nz

Institute of Directors in New Zealand (Inc)
Mezzanine Floor, 50 Customhouse Quay
PO Box 25253, Wellington, 6146
New Zealand

Telephone +64 4 499 0076

Email futuredirectors@iod.org.nz