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Prevention. Care. Recovery.

# Board Governance Manual

29 October 2024

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## Table of Contents

<b>1. Introduction.....</b>	<b>1</b>
1.1 Purpose of Manual .....	1
1.2 Structure of Manual.....	1
1.3 Principal Sources for Manual .....	1
<b>2. Governance, Functions and Powers .....</b>	<b>2</b>
2.1 Statutory Framework .....	2
2.2 ACC is a Crown Agent.....	2
2.3 Board Members are Not Directors .....	2
2.4 ACC's Functions .....	2
2.5 ACC's Board .....	3
2.6 Board Responsibility to the Minister .....	4
2.7 Board Responsibility to Employees.....	4
2.8 Board Health, Safety and Wellbeing Responsibility .....	5
Policy and Planning .....	5
Delivery .....	5
Monitoring .....	6
Reviewing .....	6
2.9 Board Personal Information and Privacy Responsibility .....	6
2.10 Corporate Responsibility Including Ethical Investment .....	7
2.11 Directions to Support a Whole of Government Approach .....	7
2.12 Monitoring of ACC .....	8
2.13 Statutory Reporting and Accountability Documents .....	8
2.14 Letters of Expectations .....	9
Annual Letter of Expectations .....	9
Enduring Letter of Expectations.....	9
2.15 Chief Executive .....	9
Appointment and Remuneration Process.....	9
Performance .....	9
<b>3. Board Member Appointments and Remuneration.....</b>	<b>11</b>
3.1 Current Board Members .....	11
3.2 Appointment and Term of Office.....	11
Appointment.....	11
Term .....	11
Appointment of Chair and Deputy Chair.....	11
3.3 Termination of Office .....	11
Removal from Office.....	11
Resignation from Office .....	11
Disqualification from Office .....	12
No Compensation on Termination .....	12
3.4 Board Remuneration .....	12



Board Fees.....	12
Committee Fees (External Board Committee Members).....	12
Expenses and Reimbursement.....	12
3.5 Chair and Deputy Chair .....	13
Removal .....	14
Resignation.....	14
Independent Professional Advice .....	14
3.7 Liability.....	15
Limited Immunity from Liability .....	15
Indemnity .....	15
Insurance .....	15
<b>4. Conduct of Board Members .....</b>	<b>16</b>
4.1 Board Code of Conduct .....	16
4.2 Fundamental Duties and Obligations .....	16
Collective Duties of the Board .....	16
4.3 Official Information Act (OIA) .....	17
What is the OIA?.....	17
Purposes of the OIA.....	17
What is Official Information?.....	17
Responding to Information Requests .....	18
4.4 Dealing with the Public – Interactions, Complaints and Communications .....	18
Complaints.....	19
Protected Disclosures .....	19
Communications .....	19
Select Committee Appearances.....	19
4.5 Management of Interests and Conflicts of Interest .....	19
Introduction .....	19
What Amounts to a Conflict of Interest?.....	20
Board Member Responsibility for Interests and Potential Conflicts Disclosures.....	20
Registers and Other Procedures to Support Interests and Conflicts of Interest Management .....	21
Register of Board Members’ Interests .....	21
Register of Board Members’ Conflicts of Interest .....	23
Consequences of Conflicts of Interest .....	24
Chair .....	24
Board Committees .....	25
Breach of Conflict of Interest Rules .....	25
Office of the Auditor-General Guidelines.....	25
4.6 Investments Code of Conduct and Trading Restrictions .....	25
Trading Restrictions.....	26
Personal Investments Confirmation.....	26
4.7 Disclosure and Use of Information .....	27
4.8 Gifts and Hospitality.....	27
4.9 Political Neutrality.....	27



<b>5. Board Activity</b> .....	<b>29</b>
5.1 Board and Board Committee Meeting Procedures .....	29
Meeting Administration .....	29
Ordinary Meetings and Annual Strategy, and Board Work Programme .....	29
Special Meetings .....	29
Board and Board Committee Papers .....	30
Quorum .....	30
Emergencies .....	30
Methods of Holding Meetings .....	30
Voting .....	30
Minutes .....	31
Written resolutions (Out of Cycle Decisions) .....	31
Relationship with the Chief Executive and Access to Executives and Staff .....	31
Role of ACC Governance .....	32
5.2 Delegations .....	32
Process for Delegation .....	33
Chief Executive Delegation and specific delegations .....	33
5.3 Board Committee Governance .....	33
Board Committees .....	33
Board Committee Terms of Reference .....	34
Board Committee Conduct and Procedures .....	34
Board Committee Structure, Membership and Quorum .....	34
Board Committee Membership .....	34
External Members of Board Committees .....	34
Appointment and Reappointment of External Members .....	35
Liability of Board Committee Members .....	35
Application of Manual to External Board Committees and Members .....	35
Board Committee Delegations .....	36
Investment Guidelines and Delegations .....	36
Board Committee Performance and Activity .....	36
5.4 Subsidiary Companies and Investment Vehicles .....	36
Subsidiary Companies .....	36
Application of Manual to All Directors of ACC Subsidiaries .....	36
Appointment of Directors to Investment Vehicles .....	38
5.5 Board Evaluation .....	38
5.6 Board Member Visits to ACC Offices .....	38
5.7 Manual Revision History .....	38
5.8 Nominations and Corporate Governance .....	38
<b>6.0 Review and Update of the Board Manual</b> .....	<b>39</b>



## 1. Introduction

### 1.1 Purpose of Manual

This Board Governance Manual (**Manual**) describes the Accident Compensation Corporation's (**ACC**) (and any wholly owned subsidiaries') governance structures, responsibilities, statutory duties, policies and processes.

The Manual provides Board Members, Board Committee Members, subsidiary company directors and ACC employees with an easy reference source and overview of ACC's governance policies and obligations.

### 1.2 Structure of Manual

The Manual reflects the Board's key legal obligations. In general, if compliance is required by law, the Manual uses the word "must". If an obligation is not legally binding but remains an expectation or is regarded as best practice (for example, a Ministerial expectation or a practice recommended by a public sector body), the Manual generally uses "should" or other non-mandatory language and notes the obligation's source.

In some circumstances, further detail (such as procedure) is provided in a specific Board policy.

### 1.3 Principal Sources for Manual

The Manual is primarily based on ACC's legal obligations under the Crown Entities Act 2004 (**CE Act**), Accident Compensation Act 2001 (**AC Act**) and Public Service Act 2020 (**PS Act**), and includes the public sector guidance produced to promote compliance with those obligations, to the extent that they are current and relevant.



## 2. Governance, Functions and Powers

### 2.1 Statutory Framework

ACC is governed by the CE Act, AC Act and PS Act and any other legislation that provides authority for the powers and functions of ACC.

ACC also needs to comply with other general laws where relevant (for example, legislation relating to health and safety, privacy, employment, protected disclosures, human rights, climate change and financial markets). In addition to legislation, there are letters of expectations from Ministers, public sector guidance and Court decisions relevant to, and part of, the operation of the accident compensation scheme.

### 2.2 ACC is a Crown Agent

As a Crown agent, ACC must give effect to Government policy when directed by the Minister for ACC and must comply with directions to support the whole of government approach from the Minister for the Public Service and Minister of Finance.

ACC's Responsible Minister is the Minister for ACC (referred to as **the Minister** throughout the Manual).

The CE Act prevails over the AC Act unless the AC Act expressly provides otherwise.

*[refer CE Act, Part 1 of Schedule 1, ss 4, 7, 103 and 107]*

### 2.3 Board Members are Not Directors

The Companies Act 1993 does not govern Board Members in the performance of their role as members of the Board. However, where a Board Member is appointed to act as a director of an ACC subsidiary company, they will be subject to the Companies Act 1993 (and some provisions of the CE Act) in their performance of that role.

### 2.4 ACC's Functions

ACC's functions are to:

- carry out the duties to manage the accident compensation scheme
- promote measures to reduce the incidence and severity of personal injury (a primary function)
- monitor access to the scheme by Māori and identified population groups to improve delivery of services under the AC Act
- manage assets, liabilities, and risks in relation to the Accounts<sup>1</sup>, including risk management by means of reinsurance or other means.

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<sup>1</sup> ACC operates the Work Account, Motor Vehicle Account, Earners' Account, Non-Earners' Account, and Treatment Injury Account ([AC Act s166](#))



In carrying out its functions, ACC must deliver services to claimants and levy payers:

- to minimise the overall incidence and costs to the community of personal injury, while ensuring fair rehabilitation and compensation for loss from personal injury
- in a manner that is cost-effective and promotes administrative efficiency.

[refer AC Act, ss 262 and 263]

ACC may also:

- perform any functions that are incidental and related to, or consequential on the functions set out above to do anything authorised by the CE Act or AC Act
- do anything that a natural person of full age and capacity may do.
- All such functions may only be done for the purpose of performing its functions.

[refer CE Act ss 16, 17, 18]

## 2.5 ACC's Board

ACC is governed by a Board of up to nine Members appointed by the Minister.

The Board may exercise ACC's statutory powers and perform its functions. The Board may only act to perform ACC's statutory functions.

Board Members are accountable to the Minister for the performance of their collective duties and to ACC and the Minister for the performance of their individual duties (see section 0).

[refer AC Act s267 and CE Act ss 58 and 59]

The Board's governance role includes the following key elements:

- maintaining appropriate relationships with the Minister, Parliament, and the public
- ensuring ACC performs its function efficiently and effectively, acts consistently with its objectives and complies with all legal obligations, ACC's accountability documents and relevant Crown expectations
- ensuring that ACC is a good employer and ensures the fair and proper treatment of employees in all aspects of their employment, including providing good and safe working conditions
- setting ACC's strategic direction
- ensuring all ACC employees maintain proper standards of integrity, conduct and concern for the public interest
- upholding the public service principles when carrying out ACC's functions
- preserving, protecting and nurturing the *spirit of service to the community* that public service employees bring to their work
- ensuring that ACC acts in a financially responsible manner, prudently managing its assets and liabilities to ensure its long-term financial viability



- appointing the Chief Executive of ACC
- monitoring the performance of ACC and its Chief Executive.

The Board also must ensure that ACC maintains policies and procedures consistent with the [Public Service Commission's Code of Conduct for Crown Entity Board Members](#).

The Board delegates ACC's day-to-day leadership and management to the Chief Executive. This includes matters relating to ACC's responsibilities as an employer (see section [Q](#)).

The Board or its authorised delegate must make all decisions relating to ACC's operations.

ACC has a Service Agreement in place with the Minister (**Service Agreement**).

The Service Agreement is treated in the same manner as a statement of performance expectations for the purposes of the CE Act. The Board is required to report quarterly to the Minister on ACC's performance against the Service Agreement.

*[refer CE Act, ss [14](#), [16](#), [17](#), [25](#), [26](#), and [118](#); AC Act, ss [267](#) and [271](#); PS Act, [ss12](#) and [13](#)]*

## 2.6 Board Responsibility to the Minister

The Minister oversees and manages the Crown's interest in, and relationship with, ACC.

The Minister has statutory powers regarding ACC's strategic direction, targets, funding, performance expectations, monitoring, reporting and reviews.

As a Crown Financial Institution (**CFI**), ACC's investment function is overseen by the Minister of Finance.

The Minister has a statutory power to request the following information from the Board:

- any information relating to the operations and performance of ACC
- any information in connection with the exercise of their powers relating to ACC's reporting and financial obligations (contained in [Part 4 of the CE Act](#)).

Under the CE Act, the Minister for the Public Service may require the Board to supply information to assess the capabilities and performance of the public service.

The Board is expected to adopt a "no surprises" approach to its relationship with the Minister.

*[refer CE Act, [ss 27](#), [133](#) and [134](#)]*

## 2.7 Board Responsibility to Employees

The CE Act requires the Board to operate a personnel policy that complies with the principle of being a good employer. This principle includes providing:

- good and safe working conditions
- an equal employment opportunities (EEO) programme



- impartial selection of suitably qualified persons for appointment
- recognition of the aims and aspirations and employment requirements of Māori and ethnic and minority groups and the employment requirements of women and persons with disabilities
- recognition of the need for the involvement of Māori as employees
- recognition of the cultural differences of ethnic and minority groups
- opportunities for the enhancement of the abilities of individual employees.

The Board must also ensure that ACC gives effect to the [Public Services Commission's Workforce Policy Statement of the Government's expectations for employment relations in the public sector](#).

*[refer CE Act, ss 118]*

## 2.8 Board Health, Safety and Wellbeing Responsibility

The Health and Safety at Work Act 2015 governs health and safety practice in New Zealand. ACC holds a primary duty of care and obligations as a Person Conducting a Business or Undertaking (PCBU) under the Act. As officers of ACC, Board Members must exercise due diligence to ensure ACC complies with its obligations and primary duty.

The Board exercises its due diligence by overseeing four key elements in health and safety governance:

### Policy and Planning

- determine high level health, safety, and wellbeing strategy and policy
- hold management to account for implementing the health, safety, and wellbeing strategy and for aligning other strategies with the strategic direction for health, safety and wellbeing
- specify targets that enable the Board to track ACC's performance in implementing health, safety and wellbeing strategy and policy
- manage the health, safety and wellbeing performance of the Chief Executive, including specifying expectations and providing feedback

### Delivery

- set clear expectations for ACC to have a fit-for-purpose health, safety, and wellbeing management system
- ensure that change management processes provide assurance that key stakeholders have been consulted and that health, safety, and wellbeing best practice has been considered in the design of processes, products, programmes, and projects that includes an assessment of health, safety, and wellbeing risks
- exercise due diligence to ensure that the system is fit for purpose, being effectively implemented, regularly reviewed and continuously improved



- be sufficiently informed about the generic requirements for a modern ‘best practice’ health, safety, and wellbeing management system and about ACC and its hazards to know whether its system is fit-for-purpose and being effectively implemented
- ensure sufficient resources are available for the development, implementation, and maintenance of the system

### Monitoring

- monitor the health, safety, and wellbeing performance of ACC
- outline clear expectations on what should be reported to the Board and in what timeframes
- review reports to determine whether interventions are required to achieve, or support, organisational improvements
- make themselves familiar with processes such as audit, risk assessment and incident investigation, sufficient to enable them to properly evaluate the information before them
- understand ACC’s key health, safety, and wellbeing risks and ensure the effectiveness of controls
- seek independent expert advice when required to gain the required degree of assurance

### Reviewing

- ensure the Board conducts appropriate health, safety, and wellbeing reviews on regular basis (at least annually). Reviews should be undertaken through assurance audits or other review mechanisms to determine the effectiveness of the system and whether any changes are required
- ensure the Board considers whether an external review is required for an independent opinion.

The Board gives effect to ACC’s health, safety, and wellbeing strategy.

The Board is also expected to give effect to the Public Service Commission’s standards on providing positive and safe workplaces.

*[Refer to Health and Safety at Work Act 2015, [ss36](#) and [44](#)]*

## 2.9 Board Personal Information and Privacy Responsibility

ACC collects significant amounts of personal and health information belonging to its clients, levy payers and staff, much of it extremely sensitive. Information collected includes names, birth dates, addresses, medical histories, financial data, and employment details.

In managing personal information, ACC must observe the Information Privacy Principles set out in the Privacy Act 2020 pertaining to the collection, correction, storage, access, use and disposal of it, and comply with the rules set out in the Health Information Privacy Code 2020.



Personal information is taonga (treasured) and ACC is kiritaki (guardians) of any personal information it receives. The Board is committed to achieving this by:

- setting clear expectations regarding privacy and the protection of personal information, and communicating them to executive management
- holding executive management accountable for meeting those expectations
- ensuring that effective privacy risk management is fully embedded within ACC's overall risk management activities and risk appetite
- employing high-quality monitoring and information management practices.

To support the Board, ACC managers are directly accountable for identifying and addressing privacy risks in their own units, and reporting privacy incidents to the Board via the Privacy Team and the Deputy Chief Executive – Corporate and Finance.

## 2.10 Corporate Responsibility Including Ethical Investment

The Board recognises that ACC's activities and investments affect New Zealand communities and seeks to avoid activities that would be regarded as unethical by a substantial majority of the New Zealand public.

The Board is guided by New Zealand and international laws, treaty obligations, global ethical practices, and its roles in the public sector and investment community. The Board commits to:

- conducting ACC's investment and procurement activity in a lawful manner
- considering environmental, social and governance issues when making decisions on investment and procurement activity
- providing overall guidance as to the types of activity that are considered unethical
- setting ACC's ethical investment policy to ensure ACC meets its ethical investment objectives and fiduciary responsibilities as a trustee in a manner that is transparent
- avoiding prejudice to New Zealand's reputation as a responsible member of the world community.

## 2.11 Directions to Support a Whole of Government Approach

ACC must give effect to directions to support a whole of government approach. The Minister for the Public Service and Minister of Finance may jointly direct ACC to support a whole of government approach by complying with specified requirements for the following purposes:

- to improve (directly or indirectly) public services
- to secure economies or efficiencies
- to develop expertise and capability
- to ensure business continuity
- to manage risks to the Government's financial position.



The Board is responsible for ensuring ACC's compliance with the directions. The directions cannot be a requirement to perform a particular act, or to bring about a particular result, in respect of a particular person or persons.

*[Refer: CE Act, ss 107 and 114; and Guidance: Directions to support a whole of government approach - Te Kawa Mataaho Public Service Commission]*

## 2.12 Monitoring of ACC

The Treasury is ACC's monitoring agency. The Treasury represents the Crown's ownership interests in ACC and is responsible for:

- advising the Minister on ACC's performance and governance
- advising the Minister of Finance on the performance and governance of ACC's investment function
- supporting the Minister in relation to Board appointments and evaluations, ACC's annual performance cycle, and strategic and performance analysis
- monitoring and reporting to the Minister and Minister of Finance on ACC's transformation projects.

ACC also works with the Ministry of Business, Innovation and Employment (MBIE). MBIE is responsible for policy frameworks associated with ACC at the agency level, including all matters relating to primary and secondary legislation, and provides policy advice to the Minister.

*[Refer CE Act, ss 27, 27A, 133 and 134 and Owner's Expectations: Expectations for Crown companies and entities monitored by the Treasury - August 2024]*

## 2.13 Statutory Reporting and Accountability Documents

As a Crown entity, ACC is required to account to Parliament for its performance through a suite of reporting and accountability documents, including:

- Statement of Intent (ACC-led, three-yearly, however the Minister may also request at any time)
- Service Agreement (ACC-led, annual)
- Non-Earners' Purchase Agreement (MBIE-led)
- Quarterly reports
- Annual Report (ACC-led).

Each year, as part of the Board's work programme, Board Members are asked to endorse key components of reporting and accountability documents. Board Members are also asked to approve the documents, most of which are submitted to the Minister for the year beginning on 1 July. ACC has scope to provide the documents together (including other reports or information) if each set of information is separately identifiable within that one document.



ACC also must submit an annual Financial Condition Report to the Minister who provides a copy to the Minister of Finance and Parliament.

*[Refer [CE Act, Part 4](#) and [AC Act, ss 271, 272 and 278A](#); [Public Finance Act, ss 45M and 45N](#), [Owner's Expectations: Expectations for Crown companies and entities monitored by the Treasury - August 2024](#)]*

## 2.14 Letters of Expectations

### Annual Letter of Expectations

The Minister and Minister of Finance sends an annual draft Letter of Expectations to the Board Chair, setting out the Government's priorities for ACC in the year starting the following July. The Board normally receives the final Letter of Expectations towards the end of the year.

### Enduring Letter of Expectations

The Minister of Finance and Minister may send an Enduring Letter of Expectations to Crown Financial Institutions including ACC to convey the Government's expectations in relation to investment activities.

The Minister of Finance and Minister for the Public Service may also send an Enduring Letter of Expectations to all statutory Crown entity board chairs.

*[Refer [Enduring Letter of Expectations - Ministers responsible to Crown Financial Institutions in relation to responsible investment - 28 October 2021](#) and [Enduring Letter of Expectation - MoF and MPS to Crown entities – 23 April 2024](#)]*

## 2.15 Chief Executive

The Board employs the Chief Executive. The Board must follow the prescribed steps in the CE Act and should follow a robust process in preparing the position description, seeking suitable candidates, and selecting the Chief Executive. The Board may delegate responsibilities to the Chief Executive (see section 0).

### Appointment and Remuneration Process

The Board must obtain the written consent of the Public Service Commissioner before finalising or amending the Chief Executive's terms and conditions of employment.

*[Refer [CE Act, s 117](#)]*

### Performance

The Chief Executive is accountable to the Board. The Board should ensure that:

- it defines the Chief Executive's performance expectations and the criteria against which performance will be measured
- the Chief Executive and Chair have continuing and constructive discussions



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- any problems are addressed early (for instance, by the Chair communicating and discussing non-performance concerns)
- the Chair carries out a formal annual performance evaluation process.

The Board and Chair are supported by the People and Culture Committee (a Board committee) in relation to annual performance setting and measurement of the Chief Executive's key performance objectives, as well as development and succession planning.

The Board is also responsible for managing the Chief Executive's health, safety, and wellbeing performance, including specifying expectations and providing feedback.



## 3. Board Member Appointments and Remuneration

### 3.1 Current Board Members

The current Board Members can be found on [ACC's website](#).

### 3.2 Appointment and Term of Office

#### Appointment

The Minister appoints Board Members under the CE Act.

*[Refer CE Act, [s 28](#)]*

#### Term

Board Members are appointed for an initial term of up to three years. Board Members may be reappointed; however they are not entitled to automatic reappointment.

*[Refer CE Act, [ss 29-32](#)]*

#### Appointment of Chair and Deputy Chair

The Minister appoints one of the Board Members as the Chair and another as the Deputy Chair, by written notice to the relevant Board Members (stating the dates when the appointments take effect), with copies of the notices provided to the Board.

*[Refer CE Act, [Sch 5, cl 1](#)]*

### 3.3 Termination of Office

#### Removal from Office

The Minister may, at any time and at their discretion, remove a Board Member from office.

*[Refer CE Act, [ss 36, 40, 41, 45, 58 and 59](#)]*

#### Resignation from Office

A Board Member may resign by written and signed notice to the Minister (with a copy to ACC Governance). The resignation is effective on receipt of the notice by the Minister, or at any later time specified in the notice.

*[Refer CE Act, [s 44](#) and [Sch 5, cl 3](#) for resignation from Chair or Deputy Chair role]*



### Disqualification from Office

A Board Member is disqualified immediately from continuing in their Board Member role on certain grounds set out in the CE Act, which include bankruptcy and being convicted of certain offences.

*[Refer CE Act, ss [30\(2\)](#) and [45](#)]*

### No Compensation on Termination

A Board Member is not entitled to any compensation or any other payment or benefit relating to the ceasing of their Board Member role.

*[Refer CE Act, [s 43](#)]*

## 3.4 Board Remuneration

The Minister sets Board Member remuneration under the Cabinet Fees Framework (**Fees Framework**). In September 2025 following a classification review for ACC of the Cabinet Fees Framework, the Board's fees were updated as follows:

- Board Member: \$80,400 per annum
- Deputy Chair: \$100,500 per annum
- Chair: \$160,800 per annum
- Additional payment of \$88,440 per annum for the Chair of a Board Committee which is not chaired by either the Chair or Deputy Chair.

*[Refer CE Act, [s 47](#) and letter from Minister for ACC to ACC Chair, received 30 September 2025.]*

### Board Fees

Board Member fees represent a total fee for the year covering all authorised work undertaken by Board Members. This includes reading and preparation time, involvement in Board meetings, membership of Board Committees, and participating in professional development.

### Committee Fees (External Board Committee Members)

External Board Committee Member remuneration is also set under the Fees Framework. In August 2019, the APH approved external Board Committee Members being paid \$30,000 per annum.

*[Refer [Cabinet Fees Framework CO\(22\) 2](#) and [letter dated 30 August 2019 from Minister of ACC](#)].*

### Expenses and Reimbursement

Board Members and external Board Committee members may be reimbursed for actual and reasonable travelling and other expenses incurred in carrying out their office, in accordance with the Fees Framework. See the Board Travel and Reimbursement Policy.



Crown entities frequently receive requests from the public for information on expenses incurred. This information is generally provided under the Official Information Act 1982 (OIA).

*[Refer CE Act, s 48 and Sch 5, cl 15(1); and Cabinet Fees Framework CO(22) 2]*

### 3.5 Chair and Deputy Chair

The Minister appoints the Chair, who is expected to be responsible for the following key matters:

- to chair Board meetings and ensure a thorough, open and constructive debate of all matters brought to the Board
- to ensure that decisions are reached, and they are properly understood and recorded
- to represent the Board to the Minister
- to ensure the effectiveness and integrity of Board processes
- to manage conflict of interest issues as they arise
- to ensure that the Board's work programme is current, and the Board meets its obligations in a timely fashion
- to conduct regular evaluations of the performance of the Board and its individual Members and to discuss these with each Board Member
- to meet regularly with the Chief Executive to ensure that critical matters are reviewed and if necessary incorporated into forward agendas for Board attention
- to represent the Board publicly
- to engage with the Minister in relation to Board Member appointments and reappointments.

The Minister also appoints the Deputy Chair, who is expected to act in the Chair's absence or incapacity or if there is no Chair. The Deputy Chair has, and may exercise, all the functions and powers of the Chair if the Chair is unavailable or is interested in a matter.

The Board may also appoint a Temporary Deputy Chair (by written resolution), who may exercise all the functions and powers of the Chair in relation to a matter if:

- there is no Deputy Chair
- the Deputy Chair is unavailable
- the Deputy Chair is interested in the matter.

A Temporary Deputy Chair is not entitled to any additional payment unless approved by the Minister.

The Chair and Deputy Chair will notify each other and the Chief Executive (with a copy to ACC Governance) when they will be unavailable to perform their responsibilities.

*[Refer CE Act, Sch 5, cl 1 and 5]*



## Removal

The Minister may, after consultation with the person concerned, remove the Chair or Deputy Chair by written notice to the person (with a copy to the Board).

*[Refer CE Act, [Sch 5, cl 4](#)]*

## Resignation

The Chair or Deputy Chair may, without resigning as a Board Member, resign from their role by written notice to the Minister (with a copy to the Board). The resignation notice must state when the resignation takes effect.

*[Refer CE Act, [Sch 5, cl 3](#)]*

## Independent Professional Advice

Board Members may access independent professional advice on request via ACC Governance at ACC's expense. ACC Governance will facilitate the process, on a confidential basis, with the Chair and the Chief Executive, and the Executive team as appropriate.

ACC will meet the costs of independent advice obtained by a Board Member or Members if the following three criteria are met:

- the advice is necessary to enable the obligations imposed on the Board, a Board Committee or a Board Member to be properly fulfilled.
- the Chair (or the Deputy Chair or the Chair of the Risk Assurance and Audit Committee (**RAAC**) (a Board committee) when the Chair is absent, or it is otherwise inappropriate to refer to the Chair) has been consulted and supports the procurement of the advice.
- the Chief Executive (or the Deputy Chief Executive, Corporate and Finance when the Chief Executive is absent, or is otherwise inappropriate to refer to the Chief Executive) has been consulted.

Generally, professional advice should be requested internally first through ACC Governance. In consultation with Management, the Board Secretary will support the identification and sharing of any existing advice, as well as budget management.

If independent professional advice is required, ACC Governance will support Board Member(s) to scope, brief and manage the outsourcing process.



## 3.7 Liability

### Limited Immunity from Liability

Board Members are not liable for any ACC liability simply because they are Board Members.

If a Board Member acts in good faith and in the performance (or intended performance) of ACC's functions, that Board Member has no civil liability to any person. This immunity also applies to liability to ACC itself – unless there is also a breach of an individual duty (as detailed in section [0](#) below).

This limitation of liability does not protect a Board Member's acts or omissions that are neither in good faith nor in the performance (or intended performance) of ACC's functions from criminal or civil consequences. Also, it only relates to civil liability and does not affect the right of any person to apply for judicial review.

### Indemnity

ACC indemnifies Board Members for liability in respect of acts (or omissions) done in good faith and in the performance or intended performance of ACC's functions (including costs incurred in defending or settling any claim or proceeding relating to those acts).

ACC provides this indemnity under an indemnity deed entered with each Board Member.

The Board has approved the form of indemnity deeds (and the provision of them to named Board Members, employees, or non-employees (who may be appointed by ACC to external Boards)), and agreed that the indemnity be granted when the person is appointed.

The Board delegates the signing of the deeds to the Board Chair and Deputy Chair, and is updated of indemnities granted at the relevant next Board meeting.

### Insurance

ACC, has purchased a specific set of directors' and officers' (D&O) insurance for officers of ACC, including Board Members and subsidiary company directors. The policy cannot cover acts/omissions that are in bad faith or outside the performance (or intended performance) of ACC's functions.

*[Refer CE Act, ss [53-57](#) and [120-126](#)]*



## 4. Conduct of Board Members

### 4.1 Board Code of Conduct

Board Members are expected to comply with the Board Code of Conduct at all times.

### 4.2 Fundamental Duties and Obligations

Board Member inductions include access to legal briefings regarding the duties of Board Members and ACC's legislative landscape. Other briefings or advice are available on request.

#### Individual Duties of Board Members

Board Members must comply with the law, and obligations and duties in the CE Act and AC Act. Board Members' individual duties are owed to both ACC and the Minister. The specific individual duties of Board Members set out in the CE Act are:

- **to comply with the CE Act and AC Act:** Board Members must not contravene, cause the contravention of, or agree to ACC contravening the CE Act or AC Act
- **to act with honesty and integrity:** Board Members must, when acting as Board Members, act with honesty and integrity
- **to act in good faith and not at the expense of ACC's interests:** Board Members must, when acting as Board Members, act in good faith and not pursue their own interests at the expense of ACC's interests
- **to act with reasonable care, diligence, and skill:** Board Members must, when acting as Board Members, exercise the care, diligence, and skill that a reasonable person would exercise in the same circumstances, taking into account and without limitation the nature of ACC, the nature of the actions and the positions of the Board Members and the nature of their responsibilities
- **to not disclose information:** A Board Member who has information in their capacity as a Board Member that would not otherwise be available to them must not disclose that information to any person, or make use of, or act on, that information except as provided in the CE Act.

*[Refer CE Act, ss 53 - 57 and 59]*

#### Collective Duties of the Board

Board Members also have collective Board duties under the CE Act for which they are collectively held accountable. These duties are owed to the Minister. Individual Board Members are not legally liable for a breach of a collective duty. If the Board does not comply with these duties, all or any of the Board Members may be removed from office.

The collective Board duties are to:

- ensure that ACC acts consistently with its objectives, functions, Statement of Intent and Service Agreement



- ensure that the Board functions are performed efficiently, effectively and in a manner consistent with the spirit of service to the public and in collaboration with other public sector entities if practicable
- ensure that ACC operates in a financially responsible manner (including in the prudent management of its assets and liabilities and the assurance of its long-term financial viability and status as a successful going concern)
- ensure that ACC upholds the public service principles when carrying out its functions
- preserve, protect, and nurture the spirit of service to the community that public service employees bring to their work
- ensure that ACC subsidiaries comply with the rules set out for subsidiaries in the CE Act (see section 5.4).

[Refer CE Act, ss [49-52](#)]

### 4.3 Official Information Act (OIA)

#### What is the OIA?

ACC is subject to the OIA, which allows people to request official information held by a range of public bodies and organisations, including Crown entities.

#### Purposes of the OIA

The key purpose of the OIA is to increase the availability of official information to the people of New Zealand to:

- enable more effective public participation in the making and administration of laws and policies
- promote the accountability of Ministers and officials
- enhance respect for the law and promote good government
- provide for proper access by each person to official information relating to that person
- protect official information to the extent consistent with the public interest and the preservation of personal privacy.

#### What is Official Information?

Official information means any information held by ACC and includes information Board Members hold in their official capacity, including ACC related correspondence, Board minutes, Board papers and correspondence between Board Members and with Management.

The key principle is that information will be made available (in response to a request or proactively) unless there is a good reason, as defined in the OIA, for withholding it. This may involve balancing public interests and privacy or withholding legally privileged advice.



Official information is not limited to documentary material, and includes material held in any format such as:

- written documents, reports, memoranda, letters, notes, emails, and draft documents
- non-written documentary information, such as material stored on or generated by computers, including databases, video or tape recordings, and text messages
- information known to an agency, but which has not yet been recorded in writing or otherwise (including knowledge of a particular matter held by an officer, employee or member of an agency in their official capacity)
- documents and manuals which set out the policies, principles, rules, or guidelines for decision making by an agency
- the reasons for any decisions that have been made about a person.

### Responding to Information Requests

Responding to requests for official information is a legal and constitutional obligation.

All agencies subject to the OIA are required to report to the Public Service Commission, which shows timeliness and the number of Ombudsman complaints.

If a Board Member receives a request for information from anyone, they should immediately refer it to ACC Governance to work with the ACC Government Services to draft a response. Draft responses will be provided to the Chair for review when they relate to Board information or a matter of particular interest to the Board or significance to ACC.

*[Refer OIA Act, ss 5-11 and 12-18 and [the OIA for Ministers and agencies: A guide to processing official information requests](#) | [Ombudsman New Zealand](#)]*

## 4.4 Dealing with the Public – Interactions, Complaints and Communications

The Board receives letters and emails from the New Zealand public.

All Board Members may occasionally be required to communicate with members of the public. In such circumstances, Board Members should be aware of the potential for perceived and actual conflicts of interest and/or perceived preferential treatment (see section 0 for conflicts of interest). If a Board Member becomes aware of a potential conflict of interest following any interaction, they should promptly inform the Chair (with a copy to ACC Governance).

Set out below is guidance on interactions that a Board Member may have. If a Board Member is unsure how to act in respect of interactions with members of the public, they should consult the Chief Executive and Chair for guidance.



## Complaints

If a Board Member receives a complaint, allegation, or request to intervene relating to any ACC matter from an individual, either written or in person, they should follow the Board Complaints Policy.

## Protected Disclosures

Board Members could be contacted concerning wrongdoing (sometimes called “whistleblowing”) that is covered by the Protected Disclosures (Protection of Whistleblowers) Act 2022 or the Speak Up Policy.

Board Members other than the RAAC Chair do not have an express role under the Speak Up Policy, and if approached regarding matters falling under the policy, should notify both the Lead Internal Integrity Specialist and Head of Risk and Assurance (or the General Counsel/Head of Legal where the disclosures relate to members of the Integrity Services team or where a conflict of interest means the team should not manage the disclosure or oversee the investigation) who will liaise with the RAAC Chair as appropriate.

All disclosures must be treated as strictly confidential and should be handled under the Speak Up Policy.

## Communications

Board Members should not comment publicly on any matter regarding ACC’s affairs without the Chair’s prior agreement. Board Member communications are governed by the Board Communications Policy.

If a member of the public (or a public group) seeks a response on an ACC matter from a Board Member, the Board Member should forward the communication to the Chair to arrange for a response on the Board’s behalf. If the circumstances call for the Board Member’s direct response, they should clear the response with the Chair before responding.

## Select Committee Appearances

The Board Chair represents the Board before parliamentary select committees unless the Board decides to nominate another Board Member in a particular circumstance.

## 4.5 Management of Interests and Conflicts of Interest

### Introduction

A Board Member has a conflict of interest when they or their immediate family have an external interest that conflicts with the duties that they owe as a Board Member and the external interest, may or may be perceived to present a risk that the Board Member will not perform their Board role impartially.

Members must meet a range of legal, ethical, and best practice requirements to effectively manage a conflict of interest.

*[Refer CE Act, s 55 and Board Code of Conduct]*



## What Amounts to a Conflict of Interest?

A conflict of interest may arise when a matter arises before the Board and a Board Member or their immediate family (spouse, partner, child, or parent):

- may derive a financial benefit from the matter
- may have a financial interest in a person/organisation to whom the matter relates
- are a partner, director, officer, board member or trustee of a person/organisation (or held such a role in the previous three months) to whom the matter relates
- are otherwise directly or indirectly interested in the matter.

Simply being a levy payer or private motorist does not amount to a relevant interest in the ACC context.

A relevant matter can be anything related to ACC's performance of its functions, exercise of its powers, arrangements, agreements, or contracts that ACC makes, enters or proposes to enter into. If a Board Member or their immediate family have an interest in any of these matters, they have a conflict of interest unless the interest is insignificant that it cannot reasonably be regarded as an interest likely to influence the Board Member in carrying out their Board responsibilities.

*[Refer CE Act, s 62; AC Act, s 267(2)]*

## Board Member Responsibility for Interests and Potential Conflicts Disclosures

Prior to their appointment, Board Members will have disclosed any interests to the Minister.

Following their appointment, Board Members must disclose any actual or potential conflict of interest and all relevant details to the Chair (with a copy to ACC Governance) as soon as practicable after the Board Member becomes aware that the conflict of interest exists, including the nature of the interest, the monetary value where it can be quantified or the extent of the interest where monetary value cannot be quantified.

In addition to being a legal obligation, this allows the Chair and the Board Member to identify the best way for ACC to manage the conflict of interest transparently and efficiently. The Board Member must ensure that the conflict of interest is entered into the Register of Board Members' Conflicts of Interest (held by ACC Governance) as soon as practicable.

If the Chair is unavailable or also has a conflict of interest, disclosure should be made to the Deputy Chair/Temporary Deputy Chair. If both the Chair and Deputy Chair/Temporary Deputy Chair are unavailable or interested, disclosure should be made to the Minister.

The Deputy Chair/Temporary Deputy Chair and the Minister may also take steps to manage a conflict (see below) if the Chair is unavailable or also interested.

"As soon as practicable" means that often it will not be appropriate to wait until a Board meeting to disclose the conflict – disclosure must occur when the conflict or further information related to the conflict arises.



## Registers and Other Procedures to Support Interests and Conflicts of Interest Management

Board Members have a continuing obligation to update and disclose interests or potential conflicts and to have these recorded in the Registers discussed below and to proactively raise matters as outlined in the Manual.

If a Board Member is unsure whether a conflict of interest exists, they should discuss the matter with the Chair or ACC Governance as soon as possible.

Board Members are supported by the holding of:

- a Register of Board Members' Interests (which promotes high transparency to assist early identification and the ongoing screening of Board and Board Committee papers, for potential conflicts based on information provided)
- a Register of Board Members' Conflicts of Interest.

ACC Governance will screen Board and Board Committee papers and correspondence, and the Investments Group will circulate a Restricted Securities List in relation to investment activities.

The existence of these supportive processes does not absolve Board Members of their individual responsibilities in relation to interest and conflict management or other laws.

### Register of Board Members' Interests

To promote free and frank consideration of interests and identification of potential conflicts of interests on an ongoing basis, the Board's policy and expectation is for Board Members to disclose all relevant external interests (not just actual or potential conflicts of interest arising), including relationships, in the general Register of Board Members' Interests (held by ACC Governance) as soon as those interests exist. The disclosure of all relevant interests includes any private and professional matters or transactions that may relate to ACC, and it will be noted that they are provided in confidence and subject to privacy considerations but they may be subject to OIA requests.

ACC Governance will endeavour to ensure Board Members do not receive information relating to matters in which the Board Members have declared interests thereby mitigating a conflict arising. Board Members interests are complex, ACC's activity evolves and the potential for conflicts can be multi-layered. Board Members must always remain alert to the potential for conflicts of interest and must not assume that because they have received certain information, ACC has assessed that no conflict of interest exists.

Board Members are best placed to determine whether a conflict of interest exists, and who have the statutory obligation to declare conflicts of interests.

Set out below is some additional guidance to Board Members on what may constitute relevant external interests which they may disclose on the Register of Board Members' Interests (to support proactive



and ongoing identification of potential conflicts) and Board Members need to self-manage in their private and professional activities so that no perceived or actual conflict arises.

#### Relevant External Employment Interests

- all employment or consulting roles
- all senior employment positions held by spouses or close relatives which could potentially intersect with the activities of ACC (health sector roles, political roles, financial sector roles etc.)

#### Relevant External Governance Interests

- all governance roles
- all governance roles held by spouses or close relatives which could potentially intersect with the activities of ACC (health sector roles, political roles, financial sector roles etc.)

#### Relevant relationship or political affiliations

- personal relationship, formal, professional, or political affiliations which could be relevant to the activities of ACC or where there may be formal or informal obligations to other parties that may be relevant to ACC.

#### Relevant External Financial Interests

- all financial interests in organisations, or entities that could potentially intersect with ACC (health sector entities, financial sector entities etc.)
- personal investments that could potentially intersect with ACC's investment activity).

ACC considers that Board Member's interests and ACC's investment activity could intersect where Board Members hold, or manage on behalf of others:

- financial products including debt securities, equity securities, hybrids, or derivatives (including contracts for difference and options) that are traded on a licenced market in New Zealand, or overseas
- commercial property (defined as non-residential real estate)
- shares in private/unlisted companies, except where the company's sole asset(s) is residential property

ACC considers that that Member's interests and ACC's investment activity will not intersect with respect to:

- savings, call accounts or term deposits with a deposit-taking financial institution (includes non-bank deposit takers)
- loans
- collectables (for example, art works)
- residential property
- foreign currency (including crypto-currency)
- unlisted bonds



- managed investment funds (including includes unit trusts, pooled investment funds, KiwiSaver funds, superannuation funds, exchange-traded funds and index funds).

Entries in the Register of Board Members' Interests should state the nature of the interests. Key Governance and Employment Interests are reviewed by the Board each month and Board Members are contacted quarterly by email to request if there are any changes to their interests. The Register remains confidential to the Board, the Chief Executive, and ACC Governance. It will not be disclosed to any third party unless the Chair authorises disclosure in writing.

ACC employees who support the Board and Board Committee's work should be aware of all interests disclosed in the Register of Board Members' Interests so that they do not give (or discuss with) Board Members information relating to matters in which the Board Members have declared interests, and a conflict may arise.

*[Refer CE Act, ss 64-65]*

### **Register of Board Members' Conflicts of Interest**

The Register of Board Members' Interests is separate to the Register of Board Members' Conflicts of Interest. The registers are confidential and should not be disclosed to any third party unless first authorised in writing by the Chair. Please note, however, that disclosure is possible if requested under the OIA. It may also be requested by other public sector bodies, including Treasury, or by select committees.

The Register of Board Members' Conflicts of Interest will be made available to members of ACC Governance and other ACC employees where needed to support the Board and its processes, so they are able to follow any plans for identifying and managing conflicts that have been put in place, such as restrictions on information going to particular Board Members.

The Chair is responsible for managing conflicts of interest as and when they are notified by Board Members or ACC Governance. The Register of Board Members' Conflicts of Interest is usually noted as one of the first agenda items for each Board or Board Committee meeting. The Board has adopted the practice of confirming if any items of potential conflict have been identified in the material provided for consideration at the meeting.

The Chair may, by prior written notice, give permission for Board Members to act in a matter in which they are interested if the Chair is satisfied that it is in the public interest to do so. Permission to act despite a conflict of interest arising must comply with the following procedure:

- written notice is provided to all Board Members before any relevant meetings
- the notice includes all relevant conditions that apply to any permitted action
- the Board minutes and ACC's Annual Report contain full disclosure of the matter, the Board Member's interest, and the permission to act.



When a conflict or potential conflict of interest arises in a meeting and that conflict of interest has not been previously notified to the Chair or other Board Members, this must be disclosed to all Board Members immediately and the Board Member concerned must withdraw from the meeting while the matter is discussed. The Board Member must not vote on the matter.

If such notification and withdrawal occur, they must be included in the Register of Board Members' Conflicts of Interest and be noted in the Board minutes.

ACC Governance will prompt a quarterly review by all Board and external Board Committee Members of their interests. Board Members should also maintain a process of review of their interests and must make amendments to the Register of Board Members' Interests as required.

*[Refer CE Act, ss [63-65](#) and [68](#)]*

## Consequences of Conflicts of Interest

As governed by the CE Act, unless the Chair gives written permission, interested Board Members must not:

- vote or take part in any Board or Board Committee discussions or decisions (or otherwise participate in any activities) related to the matters in which they have an interest
- sign any documents related to the matters in which they have an interest
- be regarded as part of the quorum for any part of a meeting during which the matters in which they have an interest are discussed or in which a decision is made.

If an actual or potential conflict of interest has been identified, ACC will ensure that, if necessary, the Board Member is provided with redacted minutes and Board papers that exclude material related to the matter in which the Board Member is interested.

*[Refer CE Act, ss [62\(3\)\(c\)](#) and [\(ca\)](#) and [66-68](#)]*

## Chair

If a conflict of interest arises in respect of the Chair, the Chair must disclose the full details of the interest (including the nature of the interest, the monetary value where possible to quantify or the extent of the interest where monetary value cannot be quantified) to the Deputy Chair/Temporary Deputy Chair as soon as practicable after the Chair becomes aware that the conflict of interest exists. The Chair must ensure that the conflict of interest is entered into the Register of Board Members' Conflicts of Interest. If there is no Deputy Chair/Temporary Deputy Chair (or that person is also interested in the matter), the disclosure must be made to the Minister.

The Deputy Chair/Temporary Deputy Chair (or the Minister if the Deputy Chair/Temporary Deputy Chair is unavailable or interested in the matter) is responsible for managing the Chair's conflicts of interest.

The Deputy Chair/Temporary Deputy Chair (or Minister if applicable) may give permission for the Chair to act in a matter in which they are interested if the Deputy Chair/Temporary Deputy Chair is satisfied



that it is in the public interest to do so. Permission to act despite a conflict of interest arising must comply with the following procedure:

- written notice is provided to all Board Members before any relevant meetings
- the notice includes all relevant conditions that apply to any permitted action
- the Board minutes and ACC's Annual Report contain full disclosure of the matter,
- the Chair's interest and the permission to act.

*[Refer CE Act, s 68 and Sch 5, cl 5]*

### Board Committees

All members of Board Committees, including external Board Committee Members, must comply with this section's rules in respect of conflicts of interest management and any disclosures must be made to both the Board Committee and the Board. Further details regarding Board Committees are discussed in section 0.

*[Refer CE Act, Sch 5, cl 15]*

### Breach of Conflict of Interest Rules

If there is a failure to observe the statutory conflict of interest rules, the Board must notify the Minister as soon as practicable. Where a Board Member has breached section 55 of the CE Act, they could be removed from office and ACC may have grounds to avoid the act in question.

*[Refer CE Act, ss 63, 66, 67 and 69]*

### Office of the Auditor-General Guidelines

For more information, see the [Office of the Auditor-General's \(OAG\) Managing Conflicts of Interest: A Guide for the Public Sector \(2020\)](#).

## 4.6 Investments Code of Conduct and Trading Restrictions

ACC has an Investments Code of Conduct in place for staff and contractors with access to investment information. Board Members are not subject to this Code given that they must already comply with CE Act requirements and will have limited access to working documents which could be used for financial advantage.

Board Members must follow the requirements regarding conflicts of interest set out above in relation to investment activity undertaken by ACC. They must also follow the trading restrictions detailed below. To ascertain whether a particular investment will result in a conflict, Board or Board Committee Members must contact ACC Governance, which may refer the Member to an independent third party (such as a law or accounting firm).



ACC Governance or the independent third party will verify and advise the Board or Board Committee Member whether the proposed investment could give rise to a conflict.

### Trading Restrictions

ACC may hold material non-public (inside) information on many listed financial products at any time and non-public confidential information on unlisted and direct investments. Such information will usually only be within the Investments Group (or with other staff who are subject to the Investment Code of Conduct) such that there are strict rules around the confidentiality of such information, and it is not broadly available in ACC.

Inside information can include information or opinions about a particular company or ACC's investment intentions with the company. This information is confidential to ACC and must not be disclosed, used, or acted upon. It can be a criminal offence for an "information insider" to trade certain financial products, to disclose inside information, or to advise or encourage a third party to trade financial products about which inside information is held. Board and Board Committee Members should be aware of these rules and act appropriately.

The Investments Group circulates to Board Members, the Board Investment Committee (**BIC**) (a Board committee), external Board Committee Members (and relevant ACC staff subject to the Investments Code of Conduct) a Restricted Securities List of companies negotiating with the Investments Group or about which the Group may hold inside information.

Board Members and BIC external Board Committee Members must not (in any capacity):

- trade, or take part in any active decision by a third party to trade, any security issued by a company on the Restricted Securities List or any arrangement referable to the value of such a security (such as a derivative)
- advise or encourage such trading without prior written authority from the BIC Chair or where the BIC Chair is interested or unavailable, the Board Chair. These restrictions apply whether the Board Members or BIC external Board Committee Members have actual knowledge of the inside information held by ACC.

If a Board Member or external Board Committee Member possesses inside information in a non-ACC capacity, the Member must not disclose the information to ACC or take part in any active decision by ACC relating to the relevant security and must identify the situation as a conflict of interest.

### Personal Investments Confirmation

For audit and verification purposes, Board Members, or BIC external Members will be asked quarterly to confirm that they have complied with the trading restrictions described above.



## 4.7 Disclosure and Use of Information

Under the CE Act, Board Members must not disclose to any persons, make use of, or act on information they receive as Board Members (and to which they would not otherwise have had access), unless it is done:

- in the performance of ACC's functions
- as required or permitted by law (for example, in accordance with the OIA)
- in compliance with the requirement for Board Members to disclose their interests.

A Board Member may disclose, make use of or act on the information if the Board authorises the action and the action in question will not or will be unlikely to prejudice ACC.

*[Refer CE Act, [s 57](#)]*

## 4.8 Gifts and Hospitality

The Board Gifts and Hospitality Policy provides detailed guidance relating to gifts and hospitality.

ACC requires that Board Members declare and record in the Gifts and Hospitality Register all gifts and hospitality with a value of more than \$100 offered to a Board Member by any person or organisation if the Board Member accepts the gift or hospitality and a member of the public could reasonably perceive that the Board Member received the gift or hospitality offer in their capacity as a Board Member.

ACC requires Board Members to declare and record in the Gifts and Hospitality Register all gifts and hospitality with a value of more than \$1,000 offered to a Board Member by any person or organisation whether or not the Board Member accepts the gift or hospitality, if a member of the public could reasonably perceive that the Board Member received the gift or hospitality offer in their capacity as a Board Member.

Koha is a gift, token, or a contribution given to an organisation on appropriate occasions.

It is not a transaction in the usual sense (for example, there is often no written acknowledgement or receipt). The giving or receipt of koha should reflect the occasion.

It should not be confused with other payments made by ACC or the organisation.

To ensure consistency, any koha to be given by the Board should be approved in advance by the Chair or Deputy Chair. The receipt of koha should be declared on the Gifts and Hospitality Register.

ACC Governance holds and maintains the Gifts and Hospitality Register.

Board Members are contacted quarterly to ensure that they make appropriate and timely disclosures.

## 4.9 Political Neutrality

Board Members have a collective duty under the PS Act to ensure that they uphold the principle of political neutrality.



He Kaupare. He Manaaki. He Whakaora.  
Prevention. Care. Recovery.

Board Members should always conduct themselves and their business in a manner that maintains the confidence of not only the Minister and the Government of the day, but any future Government. This includes not making political statements, engaging in political activities in relation to the functions of ACC, and acting in a manner that places Ministers or the entities they are responsible for in a position of embarrassment.

Board Members must ensure that private communication with any Minister or Member of Parliament does not compromise the ability of ACC to operate effectively under any Government.

In the three-month period immediately preceding a general election, the Board should neither sanction nor enter any activity, public consultation or release of information that could be interpreted as actively campaigning for, or on behalf of, a political party.

If a Board Member stands as a candidate for election to Parliament, the Board Member should stand down from their Board position on or before the day they are nominated.

Individual Board Members may be politically involved, but need to be careful about how that involvement manifests itself. Board Members wishing to be involved in political activities should ensure that their activities do not undermine the confidence of the current or future Government, and do not erode public trust and confidence in ACC.

Board Members who have been selected to stand as candidates in parliamentary elections should advise the Chair immediately, and the Chair should advise the Minister (via the Treasury's Governance and Appointments team). Board Members' formal political affiliations should be disclosed in the Register of Board Members' Interests. Any matter of this nature should be raised with the Chair (or Deputy Chair if the Chair is the subject) as soon as the matter arises.

*[Refer CE Act, s 30: Minister's Letter of Expectations and [Public Service Commission - General Election Guidance and letter of expectations regarding Board Members standing for Parliament.](#)]*



## 5. Board Activity

### 5.1 Board and Board Committee Meeting Procedures

#### Meeting Administration

Board meeting conduct follows standard formal meeting procedures. Meetings take place in venues and cities or virtually as determined by the Board Chair (or Board Committee Chair for a Board Committee meeting).

The Chair, in consultation with the Chief Executive and with support from ACC Governance, compiles the Board meeting agenda. The same process is used for Chairs of the Board Committees who may consult with the relevant Executive(s) for that Board Committee.

Any Board Member may request the addition of an item to the agenda for either a Board meeting or a Board Committee meeting. Requests for agenda additions should be directed to the Chair or Board Committee Chair.

#### Ordinary Meetings and Annual Strategy, and Board Work Programme

The Board may determine the number of meetings held each year and typically schedules 10 ordinary meetings each year. Additional out of cycle meetings may be scheduled for specific Board discussions/decisions.

An annual meeting work programme and schedule seeks to maximise the attendance of all Board Members after canvassing for availability and this process with diary appointments serve as notice of meetings.

The content for Board meetings for the year ahead is owned by the Chair and generally agreed between the Chair and the Chief Executive, with any support provided from ACC Governance. It will ensure that business is able to be completed to meet relevant timetables and external and legislative commitments.

The Board also reviews ACC's long-term strategic plans and agrees ACC's strategic priorities during an annual strategy session and ongoing strategic discussions at its ordinary and out of cycle meetings. These sessions are included in the Board's annual work programme.

A Register of Board Members' attendance at meetings is maintained for inclusion in ACC's Annual Report.

*[Refer CE Act, [Sch 5, cl 7](#)]*

#### Special Meetings

The Chair, or any two Board Members, may call a special Board meeting by giving at least five working days' written notice of the meeting and the business to be transacted at the meeting to each Board Member.



Only the business stated in the notice of special meeting may be transacted at the special meeting. The five working days' notice period may be shortened if all Board Members agree to the shorter period.

Special meetings may be held in person, virtually or any combination.

*[Refer CE Act, [Sch 5, cl 7](#)];*

### **Board and Board Committee Papers**

Board and Board Committee meeting papers will be distributed via ACC's secure online platform for Board papers approximately one week before the meeting.

All papers and matters discussed at Board and Board Committee meetings are strictly confidential.

### **Quorum**

The quorum for a Board meeting is half the number of all Board Members (if the Board has an even number of Board Members), or a majority of Board Members (if the Board has an odd number of Board Members). A Board Member who is interested in a matter must be disregarded for the purpose of forming a quorum relating to that matter.

A quorum must be present to transact business at a Board meeting.

*[Refer CE Act, [Sch 5, cl 9](#)]*

### **Emergencies**

If only one Board Member is available (for example, due to an emergency, vacancy, or conflicts of interest), the Board meeting quorum will become one. When this occurs, the available Board Member:

- may appoint the times and places of ordinary Board meetings
- may call special meetings without sending notices of meeting for those meetings
- may enter into any obligation that two or more Board Members may enter into (for example, section 127 of the CE Act regarding third party contracts).

*[Refer CE Act, [Sch 5, cl 10](#)]*

### **Methods of Holding Meetings**

A quorum of Board Members may hold Board meetings at the appointed times and places.

Alternatively, they may hold a Board meeting virtually if all participating Board Members can access the required technology and a Board quorum can simultaneously communicate with each other throughout the meeting.

*[Refer CE Act, [Sch 5, cl 8 and 13](#)]*

### **Voting**

Each Board Member has one vote. In addition to their general vote, the Chair has the tiebreaking vote.



Each Board Committee's Terms of Reference may contain additional voting rules.

Board resolutions are passed if all present Board Members agree without dissent, or if a majority of the votes cast on it are in favour of it.

The Board presumes that a Board Member present at a Board meeting agrees to, and votes in favour of, a resolution of the Board unless they expressly dissent or vote against the resolution at the meeting.

*[Refer CE Act, Sch 5, cl 12]*

### **Minutes**

The Chair must ensure that minutes are taken at every Board and Board Committee meeting. Secretariat support will be provided for the Board and each Board Committee by ACC Governance.

Draft minutes and actions will be provided by the secretary of the meeting to the Board or Board Committee Chair to review. The Chairs are respectively responsible for ensuring that Board or Committee meeting minutes are taken and submitted for approval at the following meeting.

### **Written resolutions (Out of Cycle Decisions)**

The Board may make decisions outside of Board meetings by written resolutions (out of cycle decisions). Such decisions shall be deemed to be completed and in effect when every Board Member has either approved (or provided similar clear consent, including by electronic means) or provided authorisation or their actual signature.

A written resolution may (but is not required to) be ratified at a subsequent full Board meeting. The ratification date does not alter the date that the original decision was effective from.

### **Relationship with the Chief Executive and Access to Executives and Staff**

The Board respects that the role of the Board and Board Committees is one of governance.

The Board delegates authority to the Chief Executive to be responsible for day-to-day management and implementation of ACC's functions, subject to any limitations on the Chief Executive (and therefore all ACC employees) that the Board determines.

Primarily the key point of contact for the Board, and through the Chair, is the Chief Executive. In relation to Board Committees, the Chair of each Committee will likely have a direct relationship with the relevant Executive(s) without the need to involve the Chair.

Board Members may access Executive team members and other employees via the Chief Executive with advice to the Chair, as appropriate. ACC Governance is available to support access and co-ordinate meetings/interactions for the Board member and ACC employee.

Board Members will act in a manner consistent with their governance role and not seek to become involved in operational and management matters.



## Role of ACC Governance

ACC Governance provides governance and corporate secretariat advice and support for the Board and all Board Members. Contact details, and responsibilities of, relevant and key members of the team will be made available to all Board and Board Committee Members.

Responsibilities to support the Board include:

- enterprise-wide governance advice, support and development of initiatives, and working with the Chair and the Board to evolve and strengthen governance
- working with the Board on evolution and continuous improvement of governance at ACC in line with good practises
- supporting the Chair on Board related matters such as a skills matrix, evaluation processes, induction, and development
- development, and implementation of, sustainable corporate secretariat systems and processes that implement and support the Manual, such as notice of meetings, record retention and management, active register management, appointment and onboarding processes and Board remuneration, the provision of a secretary for all Board and Board Committee meetings, including agenda preparation, minute taking and paper distribution, working with the relevant Chair
- other administrative support, including scheduling Board and Board Committee meetings, external visitors to the Board or from the Board, travel, accommodation, expense tracking and payment.

## 5.2 Delegations

The CE Act requires that the Board or someone authorised by the Board make all decisions about ACC's operations. If the Board delegates its powers and functions, the Board remains legally responsible for the exercise of those delegated functions and powers.

The Board may delegate its functions and powers to any person in accordance with the CE Act and AC Act.

The Corporate Delegations Framework provides a comprehensive statement of the Chief Executive's delegations, and of ACC's policies and processes for ensuring that all delegated powers are properly exercised, monitored, and reviewed.

The Board does not need to obtain the Minister's approval before delegating services provided under the AC Act.

The Board cannot delegate:

- its general delegation power
- any of ACC's statutorily independent functions to an ACC subsidiary



- any of its functions and powers to a Board Committee unless that Committee has a Board Member as part of its membership.

*[Refer CE Act, ss 25 and 73; AC Act, Sch 5, cl 25]*

## Process for Delegation

There are procedural checks and balances on Board delegations (as outlined in the CE Act and summarised in the Corporate Delegations Framework). These include:

- the Board can only delegate a function or power by resolution and written notice to the delegate. The delegation can be revoked in the same way, or by any other method provided in the delegation itself.
- a delegate may proceed to delegate their functions and powers only with the prior written consent of the Board, and subject to the same conditions that are attached to the delegate's exercise of those same functions and powers.

*[Refer CE Act, ss 73-76]*

### Chief Executive Delegation and specific delegations

The Board delegates its authority to act to the Chief Executive for day-to-day business operations. These delegations enable effective control and recognise the Chief Executive's power to delegate further most of the functions, duties and powers delegated by the Board.

The Board may delegate specific authority to ACC roles.

The Board maintains its authority and if required, can exercise any power or functions even if it has been delegated to or subdelegated. The Board may also revoke a delegation at any time by Board resolution or any other method provided for in the delegation.

## 5.3 Board Committee Governance

### Board Committees

The Board can, by resolution, appoint Board Committees to:

- advise on matters relating to ACC's functions and powers that are referred to the Committees by the Board
- perform or exercise any of ACC's functions or powers that are expressly delegated generally or specifically.

The Board must ensure that at least one Board Member is on any Board Committee that exercises Board powers or functions. Board Committees without Board Members may only provide advice.



All Board Committee Members (including external Board Committee Members) must disclose any interests in the Register of Board Members' Interests and follow the same rules applying to Board Members in respect of the management of conflicts of interest (see section 4.5).

*[Refer CE Act, [Sch 5, cl 14](#)]*

### **Board Committee Terms of Reference**

All Board Committees have Board approved Terms of Reference. The Board Committees review their Terms of Reference periodically (as determined by the Terms of Reference) and may recommend amendments and improvements to the Board at any time.

### **Board Committee Conduct and Procedures**

Board Committees are governed by the same rules of conduct and procedures as the Board unless the Board determines otherwise (including in a Board Committee's Terms of Reference).

### **Board Committee Structure, Membership and Quorum**

If authorised in their Terms of Reference, Board Committees can appoint external members, if specific technical or other expertise is required. Generally, there should be more Board Members than external members on a Board Committee.

Each Board Committee's Terms of Reference describe the Board Committee's quorum, and the Board has delegated to the Chair of each Board Committee the power to co-opt any Board Member as a Member of that Board Committee to establish a quorum.

All Board Members may attend and speak at any Board Committee meetings with advance notice of attendance to the Chair of the Board Committee, but only Board Committee Members are entitled to vote.

### **Board Committee Membership**

Board Committee membership can be found on ACC's website.

### **External Members of Board Committees**

External members of Board Committees are independent and are not Board Members. Accordingly, they only receive access to the relevant Board Committee's papers. Any other ACC or Board material may only be provided on authorisation of the Chair.

The CE Act applies to external members (with necessary modifications) as regards:

- remuneration and expenses (sections 43, 47 and 48 of the CE Act)
- confidential information (section 57 of the CE Act)
- vacancies in membership (section 77 of the CE Act)



- good employer obligations (section 118 of the CE Act)
- liability protections (sections 120-126 of the CE Act)
- members who are officials (section 135 of the CE Act)
- disclosure of payments (section 152(1)(e) and (f) and section 152(2) of the CE Act)
- existing liability and insurance cover (sections 189-190 of the CE Act)
- management of interests (sections 62-72 of the CE Act). These rules apply to each external Board Committee Member as if they were a Board Member.

*[Refer CE Act, [Sch 5, cl 15](#)]*

### **Appointment and Reappointment of External Members**

External members will be appointed or reappointed following the recommendation of the Chair of the Board Committee to the Board for approval.

External persons will not be appointed to Board Committees unless, before appointment, they disclose to the Board the details of any interests they may have if they were a member of that Committee.

When the Board considers the appointment of external members to a Board Committee, it should consider whether access to specific expertise is required due to:

- the level of expertise required not being available within ACC
- the need to ensure a greater degree of comfort given the level of risk in a particular area of the business.

Section [9](#) discusses remuneration of external members of Board Committees.

*[Refer CE Act, [Sch 5, cl 14\(2\)](#)]*

### **Liability of Board Committee Members**

The CE Act provides that Board Committee Members are not liable for any entity liability by reason of only being Committee Members. ACC's directors' and officers' insurance covers all Board Committee Members, including external Board Committee Members. See section [9](#).

*[Refer CE Act ss [120-126](#), [Sch 5, cl 15](#)]*

### **Application of Manual to External Board Committees and Members**

The Manual (including referred Board policies) will be provided to all external members of Board Committees, and the Manual's requirements apply to all external members. All external members must read and follow the Manual as appropriate to their roles.



### **Board Committee Delegations**

Generally, Board Committees have no delegated authority and may only make recommendations to the Board. Exceptions to this are the Investment Guidelines and Delegations and as specified in the Terms of Reference for a Committee, which are approved by the Board.

### **Investment Guidelines and Delegations**

The BIC maintains and approves Investment Guidelines that cover ACC's investment activities principles and practices within the parameters of the BIC Terms of Reference and any other policies approved by the Board.

### **Board Committee Performance and Activity**

The Board's agenda allows time for Board Committee Chairs to provide an update and report back on their respective Board Committee's performance and activities.

## **5.4 Subsidiary Companies and Investment Vehicles**

### **Subsidiary Companies**

ACC may establish subsidiaries (subject to written notice to the Minister) to carry out its functions and contribute to the achievement of its objectives.

The Board is accountable for the activities and performance of any subsidiaries, which must be reported in ACC's Annual Report.

The AC Act requires that ACC wholly own any subsidiary it forms. ACC's subsidiaries are Crown entities under the CE Act.

As companies ACC subsidiaries must comply with the Companies Act 1993. ACC subsidiary board members are directors under that Act and have specific legal obligations.

As at the date of the Manual, ACC has one wholly owned subsidiary - Shamrock Superannuation Limited, which acts as the manager, trustee and custodian for ACC's mysuper Superannuation Scheme.

*[Refer CE Act, ss 7, 8 and 96-102; Companies Act 1993, ss 5-8; AC Act, s 266]*

### **Application of Manual to All Directors of ACC Subsidiaries**

The Manual (including referred Board policies) applies to all directors of ACC subsidiary companies, and the Manual's requirements will apply to all directors. All directors of ACC subsidiary companies must read and follow the Manual as appropriate to their roles.



## Subsidiary Governance

For ACC subsidiary governance, the Board is responsible for ensuring that subsidiaries:

- follow best practice for the identification and appointment (and fees) of directors
- exercise due diligence upon appointment to ensure that directors have specific training on and engagement with health, safety and wellbeing obligations and matters
- follow appropriate business planning and monitoring procedures (including ensuring that public accountability documents such as ACC's Statements of Intent and Annual Reports adequately include information on a subsidiary's activities)
- put an internal control environment in place so that it complies with statutory obligations and is well managed
- report regularly to the Board on its activities and performance, including any exceptions highlighted by the internal control environment.

The CE Act also requires ACC to ensure that any subsidiary:

- performs its functions efficiently and effectively, in a manner consistent with the spirit of service to the public in collaboration with other public sector entities (within the meaning of that term in the Public Audit Act 2001) where practicable
- pays remuneration to directors of the subsidiary only at a rate and of a kind determined by ACC in accordance with the fees framework or after consulting with the Minister and complies with the requirements as to employment of chief executives set out in the CE Act in the same way as ACC must do
- does not do anything that ACC itself does not have the power to do
- acts consistently with ACC's objectives and current Statement of Intent (to the extent they relate to the subsidiary)
- exercises its powers only for the purpose of performing, or assisting ACC to perform, ACC's functions
- does not contravene the CE Act or AC Act to the extent that it relates to a subsidiary
- complies with a direction given to ACC (to the extent that it relates to the subsidiary)
- does not pay directors of the subsidiary any compensation or other payment or benefit, on any basis, for ceasing for any reason to hold office
- does not perform any of ACC's statutorily independent functions
- has a constitution and that the constitution contains a statement to the effect that the company is a Crown entity for the purposes of the CE Act
- complies with the statutory requirements as to employees that apply to ACC
- does not have a member of Parliament as a member.



## Appointment of Directors to Investment Vehicles

If ACC appoints a Board Member, staff member, or external party to a governance role in an investment entity in which ACC has an interest, the following considerations apply:

- where the role is remunerated, the People and Culture Committee has responsibility to oversee such appointments
- where the role is not remunerated, the BIC and Investments Group has responsibility to oversee such appointments
- any remuneration entitlement from that entity must be disclosed to the Deputy Chief Executive – People and Culture and Deputy Chief Executive – Corporate and Finance, who will advise the approach to be taken in respect of that remuneration.  
Public Service Commission guidance exists
- due diligence is to be exercised upon appointment to ensure all governance level Board Members and staff have specific training on and engagement with health, safety and wellbeing obligations and matters
- if ACC appoints an external party as a director on an investment vehicle board, an assurance is required before the appointment that the director has undertaken training, which includes specific health, safety and wellbeing training aimed at directors.

A copy of the Manual is to be provided to all appointed directors of investment vehicles, and the requirements of the Manual will apply to all directors.

## 5.5 Board Evaluation

The Board evaluates each of its meetings and conducts an annual evaluation to review and continuously improve Board performance.

## 5.6 Board Member Visits to ACC Offices

Board Member visits to ACC offices are welcomed. Visits may be arranged for the Board as a whole or requested by individual Board Members, depending on the circumstances.

Visits to offices should only be made after prior arrangement with the Chair and in accordance with the Board Visits to ACC Offices Policy.

## 5.7 Manual Revision History

ACC Governance keeps a revision history of Board approvals of any changes to the Manual. When approved changes occur, copies of the revised Manual are provided to all persons referenced to receive a copy of the Manual.

## 5.8 Nominations and Corporate Governance

The Board, led by the Chair, will:



- oversee the Manual, the Board Code of Conduct and the Board's conflicts of interests policies and practices
- regularly review compliance with, and the effectiveness of, the Board Code of Conduct and the Board's conflicts of interests policies and procedures
- manage any breaches of the Board Code of Conduct or the Board's conflicts of interests policies and procedures
- review and consider a skills matrix for Board and Board Committee Members in line with the Board evaluation framework and Board Member remuneration
- identify skill areas that could be enhanced to support the Minister during the Board appointment process
- identify skill areas that could be enhanced and make recommendations to the Board for Board Committee appointments
- consider the remuneration of Board Members under the Fees Framework to support the Minister's consideration of whether the remuneration remains fit for purpose
- oversee the appointment of independent advisors and external members to Board Committees
- review and recommend remuneration packages of external Board Committee Members and advisers
- review Board and external Board Committee Member policies, including expense and development policies
- develop a Board skills matrix, identifying required skill sets for potential Board Member and Committee candidates, induction and evaluation processes
- develop evaluation procedures for the Board and Board Committees to review their performance
- review and oversee new Board Member induction and individual Board Member ongoing professional development
- approve appointments of directors for ACC on subsidiary companies or investment vehicles.

## **6.0 Review and Update of the Board Manual**

The Manual shall be reviewed every two years. The Deputy Chief Executive – Strategy, Engagement and Planning is authorised to make minor procedural or updating changes to the Manual and will keep the Board informed when this occurs with a summary of the changes.