

NZPPI Board Policy

Special Interest Groups

NZPPI's objectives and rules provide for a Special Interest Group (SIG) mechanism to facilitate collaborative activity on behalf of a subgroup of members – viz Clause 15 of NZPPI's constitution.

15. SPECIAL INTEREST GROUPS:

The Board can establish Special Interest Groups, either "Committees" (usually a continuing role) or "Working Groups" (usually temporary by nature), to serve the needs of, and provide advisory services to, the Board, and Producer and Non-Producer Members. The Board will adopt a board policy or policies regulating the establishment and the operation of such Committees or Working Groups and will approve the terms of reference of any such Committee and Working Group. Each Committee or Working Group will operate in accordance with any applicable policies and terms of reference.

This clause specifies:

1. The Board establishes SIGs (in response to a subgroup needs being identified by the Board or a subgroup of members).
2. The Board approves Terms of Reference for the operation of the SIG.
3. The Chair of the SIG shall be a Producer Member of NZPPI.
4. That the SIG will determine, conduct and finance all its own secretarial, financial, and other activities under terms set out in NZPPI's constitution or by the Terms of Reference.

To satisfy these conditions the following generic policy shall apply to Special Interest Groups. This may be varied on a case by case basis as and if the purpose of the SIG requires and the Terms of Reference specify.

1. Formation

- a) An SIG will usually be formed following the Board or a subgroup of members identifying common need pertinent to that subgroup of membership, rather than the greater body membership, describing a body of work to advance that need.
- b) The formation of the SIG is formalised through the development of Terms of Reference (TOR) describing the purpose of the SIG, scope of activities, likely timescale of activity, and expected product of its activities. The Board or the SIG may develop the TOR, the latter must be formally approved by the Board.
- c) The Board will appoint members to the SIG having regard to the relevant scope of activities and skills required, and any other membership criteria specified in the TOR.

2. Governance

- a) The SIG shall be managed by a Steering Group of members, headed by a Chair.
- b) The chair of the SIG shall be appointed by the Board, which will consider nominations from the SIG's Steering Group.
- c) The Steering Group shall abide by NZPPI's Conflicts of Interest policy and shall maintain an Interests Register.
- d) The Steering Group shall comply with the terms of NZPPI's constitution.
- e) The Steering Group or its members shall make no independent public statements without the express approval of the Board. If appropriate, the Board may vary this requirement in the SIG's terms of reference.

3. Structural Relationships

- a) SIGs are formed as a committee under the auspices of NZPPI and the Board of NZPPI is ultimately accountable for the actions of the SIG. In recognition of this, the SIG and its Steering group shall comply with Board directives and policies.
- b) As a matter of reporting, the CEO will be tasked by the Board with monitoring compliance by SIGs with TOR and will be the first port of call for SIGs wishing to bring matters to the Board's attention or seeking the Board's approval for activities.
- c) SIGs shall not enter into any legal agreements without NZPPI Board authority.
- d) The NZPPI Board reserves the right to intervene, review and terminate the SIG at any time if the former believes the interests of NZPPI are at risk.
- e) The TOR will determine conditions under which the Steering Group or its members shall make or not make, any independent public statements.

4. Operations

- a) The Steering Group will meet on an as-needed basis, the frequency of meetings being determined by the specific purpose of the SIG and described in the TOR.
- b) Meeting records shall be kept in such a manner that their deliberations of the group are clearly described in accordance with good meeting practice. These shall be made available to the CEO following each meeting.
- c) In order that the Board is apprised of SIG plans and activities:
 - i) The Steering Group will formulate a plan (including budget) and provide the same to the CEO, on behalf of the Board, for their information, at its first meeting each financial year. Where the SIG's work is on-going, an annual plan shall be provided.

- ii) The Board's assessment of the plan is primarily focused on forming a view on financial prudence and risk management and assurance. The Board may take advice from the CEO and external advisers as required.
 - iii) The Steering Group shall provide a report to each Board meeting principally addressing progress against plan, variances and any foreseeable risks.
- d) The Steering Group may draw upon NZPPI support for administrative support. Administrative support is charged at a rate to cover wages and salaries (inclusive of adjustment of annual leave and the like), plus an equivalent charge to contribute towards NZPPI overheads.

5. Finances

- a) The Steering Group has no direct authority to undertake transactions having financial or contractual implications. This authority is delegated through the CEO who shall act in accordance with NZPPI's Delegated Authorities and Expense Reimbursement policies. If appropriate the Board may vary this requirement in the SIG's terms of reference.
- b) An Income Statement cost centre is established in NZPPI for each SIG where income and expenses pertaining the SIG are recorded. Where the SIG relates to an activity carried out by Nurserymens Enterprises Limited (NEL) or any other NZPPI entity, funding may be drawn from that entity with the Board's prior approval.
- c) Balance Sheet "reserve" accounts are established to hold "surplus" funds from year to year. Usually a single Operations Reserve account will be needed accumulating the gross contribution from the Income Statement cost centre. Where capital items are relevant to the SIG's operations, any depreciation expense is accumulated in a Depreciation Reserve account.
- d) Funds available for SIG use/development are those recorded in management accounts for either NZPPI, NEL or the relevant entity – comprising the surplus SIG's Income Statement Cost Centre plus those in the SIG's Balance Sheet Reserve account(s).
- e) Irrespective of the financial delegation in paragraph 5a) above, the limit of any financial commitment is the quantum in the account prescribed in paragraph 5d) above. No commitment may be entered into that exceeds this quantum, or without prior reference to annual budgets to ensure funds are available to meet any future commitment, especially where income is collected in advance of expenses.
- f) At the end of each financial year, the surplus balance in the Income Statement's Cost Centre is transferred to the SIG's Balance Sheet reserve account(s) (effectively leaving the cost centre at breakeven), and is available for future use by the SIG.

6. Limitations of Authority

- a) The express authority of the Board is required prior to opening bank accounts, borrowing money, guaranteeing third party liabilities, entering into legal agreements, employing or contracting third parties or negotiating and/or sourcing funding from third parties (example, Government grants). Such authority can be “on-going” for routine SIG activity (for example acquiring an ongoing third party service) where it is specified in the annual plan or budget. The CEO will liaise between SIGs and the Board in respect of such matters.

7. Steering Group Member Indemnity:

- a) Steering Group members will be treated as “officers” for the purpose of clause 49 of the NZPPI Constitution. Accordingly:
 - i) No Steering Group member will be liable for the acts or defaults of any other officer or any loss so occasioned, unless occasioned by their wilful default or by their wilful acquiescence (in respect of Board policies and guidelines, the TOR or the NZPPI Constitution).
 - ii) Steering Group members are indemnified by the NZPPI for all liabilities and costs incurred by them in the proper performance of their functions and duties, other than as a result of their wilful default.
- b) NZPPI shall ensure directors’ and officers’ liability insurance extends to Steering Group members.

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