

ACE NZ // ACE RULES REVIEW

We're reviewing our Rules

**Taking ACE New
Zealand's Rules
to the future.**

We're reviewing our Rules.

ACE New Zealand is reviewing its Rules, and earlier this year we asked you to share your thoughts on what our review should include.

We've considered your feedback and have drafted a new set of Rules based on what we heard, ready to take ACE New Zealand into the future.

This document //

- recaps [why we're reviewing our Rules](#),
- shares [what we heard from you](#) during our first round of consultation, and
- proposes a [new set of Rules](#) for ACE.

It's important you engage in this review because we're proposing changes to our purpose and changes to what you're committing to as members of ACE.

Our Rules can only be changed if a majority of voting members agree. But before we get to that, we'd love to hear any final thoughts you have on the proposed new Rules.

We'll need your feedback by 9 November 2022.

Let's talk // you can

- complete our survey
- email your feedback to letstalk@acenz.org.nz
- give Helen a call anytime on 022 1087 167
- book a time to chat with Helen by emailing nicole@acenz.org.nz with "Rules review" in the subject line.

We look forward to hearing what you think!

After we've got your feedback, we'll make any necessary changes and call a Special General Meeting for you to vote on the new Rules.

Table of Contents

1 What are the Rules?	4
2 Why are we reviewing them?	4
3 Our initial discussion paper sought your views	4
4 Who responded	5
5 What we heard	6
5.1 Objective/purpose	6
5.2 Member obligations	7
5.3 Member categories	9
5.4 Criteria for Ordinary Membership	10
5.5 Ordinary Member Representatives	11
5.6 Rights of members	12
5.7 Admission to membership	12
5.8 Termination of membership	13
5.9 Discipline	13
5.10 Regional Chairs	16
5.11 Annual subscription	17
5.12 Governance and management	17
5.13 Meetings of the association	18
5.14 Notices, Rule changes, distributions and seal	19
6 Your feedback considered	20
7 What happens next	20
8 Our proposed new Rules	21

What are the Rules and why are we reviewing them?

1 What are the Rules?

ACE New Zealand is an incorporated society under the Incorporated Societies Act 1908. This requires us to have Rules that set out our role, how we operate, and member rights and obligations. The Rules are effectively our constitution.

2 Why are we reviewing them?

Our Rules need updating. While incremental amendments have been made over the years, there has been no comprehensive review to ensure the Rules:

- Reflect a clear and relevant purpose for our organisation today
- Reflect what it means for a firm to be a member of ACE, so clients and stakeholders know what our members stand for and their value as a consultant of choice
- Give us flexibility to run the organisation and deliver on our purpose for members effectively and efficiently.

We think it's a good time to review our Rules, because many of them are out of date, some are particularly wordy, and new legislation just passed means we need to update our Rules anyway to include new provisions we don't currently have.

Plus, our fresh new direction requires us to be able to clearly articulate our purpose and value as an organisation and as members – our new Rules will help us do that.

What you've told us so far

3 Our initial discussion paper sought your views

Earlier this year we shared a discussion paper with you, outlining the challenges and opportunities with the current Rules and we asked for your feedback.

The biggest changes we proposed were in our purpose or objectives, the commitments you make as ACE members, and membership categories and criteria. We also proposed a lot more clarity around what complaints ACE can consider and how complaints are managed. In other areas like governance and member fees, we suggested clarifications, more detail, and plain English.

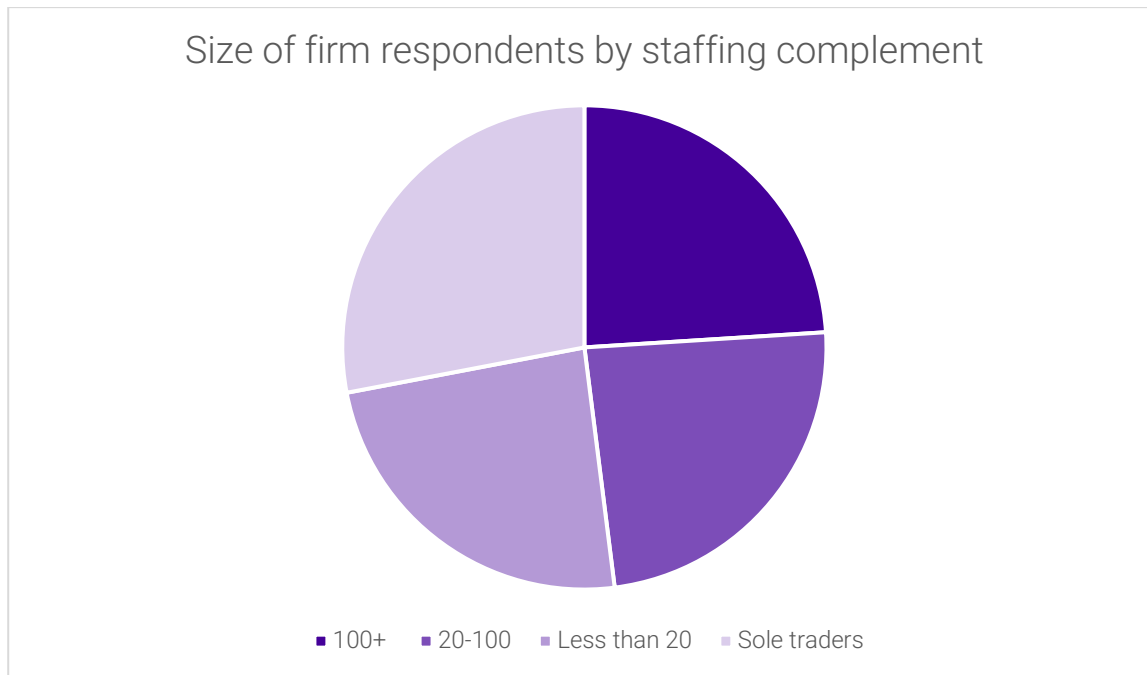
We received your feedback through our survey and through direct conversations with Helen.

If you missed it, you could pick up the discussion document [here](#).

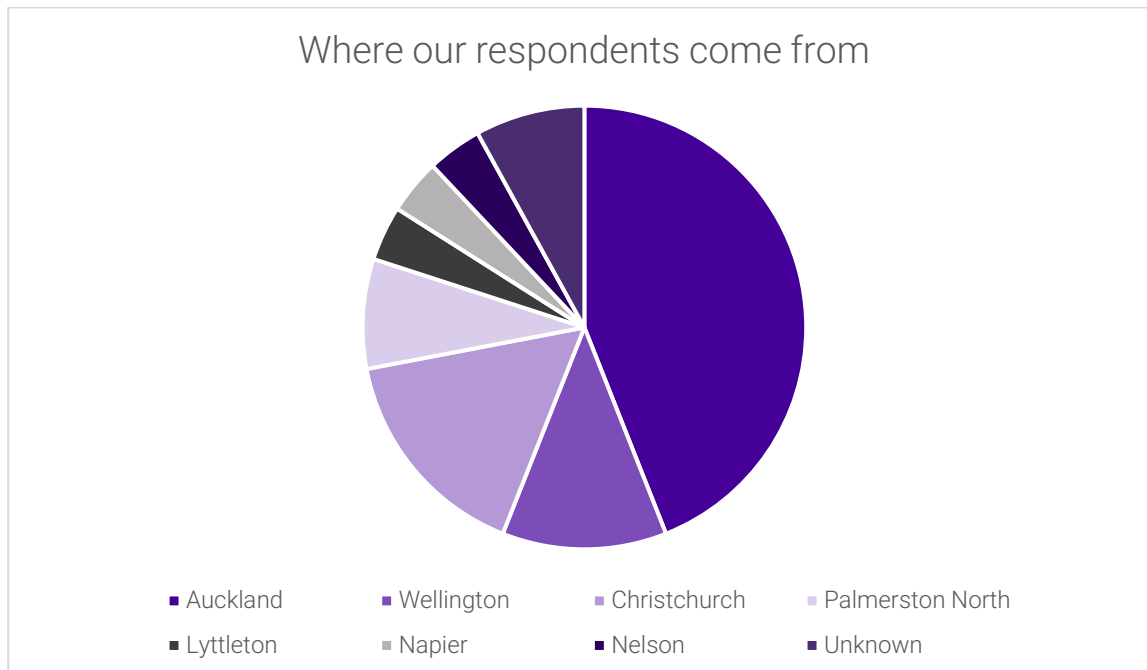
4 Who responded

We received 25 responses to our consultation, which is equal to about 10 per cent of our current membership.

Respondents were from a range of firm sizes



Respondents were from various locations across the country



5 What we heard

Overall, the feedback was very positive and supportive of the review and proposed way forward. There was no strong theming coming through from the responses against any of the proposals, or for any significant changes to what was being proposed.

Set out below is a summary of what we heard in response to each proposal, along with the Board's decision on how to incorporate the feedback into a new set of Rules for ACE. It's a long read, but we want to be clear and transparent about what we heard and what that means for the way forward. You can read the lot, or just skip to the sections that matter to you.

If you're pushed for time, we'd love you to at least look through the proposed new Rules and let us know what you think – you can [skip ahead to the new Rules on Page 21](#).

5.1 Objective/purpose

What we proposed	What we heard
<p>We recommended our objectives be updated to be more aspirational and outward-focussed. We proposed as updated objectives:</p> <p><i>“The objective of the Association is to support, promote and represent professional services consulting in Aotearoa New Zealand, including by:</i></p> <ol style="list-style-type: none"><i>Representing Member views and providing an influential voice to positively shape Aotearoa’s policy agenda</i><i>Identifying emerging issues that impact professional services consulting and assisting Members to respond</i><i>Contributing to the development and recognition of effective consultancy practice</i><i>Connecting members to build a strong network of consulting professionals across Aotearoa New Zealand</i><i>Celebrating the practise of professional services consulting and the benefits Members provide to society</i> <p><i>In all aspects of our work, we promote diversity and inclusion and recognition for Te Tiriti O Waitangi.”</i></p>	<p>Feedback supported the proposal to update our objectives as proposed:</p> <ul style="list-style-type: none">88 per cent of survey respondents agreed that our objective should be updated (15 out of 17))Of the 15 survey respondents that agreed our objectives should be updated, 67 per cent or 10 agreed with our example provided. <p>Comments included:</p> <ul style="list-style-type: none">The example is concise, to the point, and covers the broad functions of ACE.The proposed objectives are worded as actions and could be drafted as outcomes. For example: “being an influential voice” rather than “representing member views”; and “a strong and connected network ...” rather than “connecting members”.One respondent felt the objectives were “so vanilla” and needed to be more ambitious and reference engineering more.One respondent said nothing was missing in the example, but they wondered whether we could be bolder in the framing of them – this member was looking for a stronger message about our leadership and advocacy.“Networks are overrated – better to encourage competence and capability”One did not like use of “Aotearoa”, and they did not support the last statement relating to an organisational commitment to Te Tiriti o Waitangi and diversity and inclusion. Whereas others did support this strongly.

Board Decision

The Board agreed to proceed with the proposed objectives with some tweaks in response to the feedback, including to bring our leadership role to the fore, referencing competency, and our role to raise the profile of consulting. In line with the new legislation, these will be named as our “purpose” rather than our “objectives”.

5.2 Member obligations

What we proposed

We recommended member rights and member obligations be separated into two separate rules rather than be grouped together like they are now.

We also recommended better aligning our member obligations with the things that are important to leading a credible, sustainable and professional consulting firm today, while setting the bar for what we want ACE New Zealand membership to mean in terms of a trusted brand. We recommended a revised version of the member obligation rule that includes existing obligations around commercial and marketplace behaviour, and new obligations that allow the public to know an ACE member is committed to quality business practices:

“Commercial and marketplace behaviour

All Members must:

- a. *Hold professional indemnity insurance for a sum of not less than \$500,000*
- b. *Disclose and appropriately manage conflicts of interest*
- c. *Compete in the marketplace, including with other members, in good faith and without unfair advantage*
- d. *Engage openly and honestly with clients, and provide impartial and competent advice*
- e. *Have a policy and process in place for responding to client concerns or complaints.*

Working environment

All Members must have:

- f. *Robust quality management systems*
- g. *Appropriate policies and practices in place to promote inclusive workplaces and to maintain the health, safety, and continued competence of their people*
- h. *Appropriate policies and practices in place to ensure the sustainable management of the*

What we heard

Members were either supportive of updating our member obligations or were not sure:

- 69 per cent of respondents thought we should update our member obligations (11 of 16 respondents) and 25 per cent were unsure (4 of 16 respondents).
- Of the 11 survey respondents that agreed our member obligations should be updated, 73 per cent or 8 agreed with our example provided.

Support for or against the proposals did not trend to either small or large firms or sole traders. There were no clear themes coming through in the feedback on how to change or improve on the example provided. On a supportive note, the following comments were provided:

- The obligations are focussed and to the point. They are simpler and more concise
- They set a high standard as is required by today’s practising environment
- The wording makes the obligations very clear, which will make it easy for us to check/audit at governance/management level that we are fulfilling our member obligations.
- One member noted that the obligations under “commercial and marketplace behaviour” and “membership commitments” are the minimum
- The mark of professionalism is important.

In terms of concerns or opportunities, the following comments were provided:

- Professional indemnity insurance will need to be increased in the future – one respondent suggested that we include flexibility to rise the PI insurance levels as appropriate over time.
- Another noted concern about the “commercial behaviours” obligations as they relate to (c) and operating “without unfair advantage”. It was noted that members are in competition, and it’s not really the advantage, which is the issue, but that members act in good faith. Another member commented that they read this section as pointing more to behaviour

environment and the wellbeing of communities across their business practices.

Membership commitments

All Members must:

- i. Comply with ACE New Zealand's Rules and Regulations, including the current Rules and any later changes to them*
- j. Conduct themselves at all times in a manner consistent with being a fit and proper member of ACE New Zealand.*

The Board may, at its discretion, require members to provide evidence of how they are meeting their member obligations.

If a member has reasonable grounds to believe that another member is not complying with these obligations, they must report the matter to ACE New Zealand."

We recognised this sets a high bar, but noted a high bar adds value to membership and the credibility our members hold with stakeholders. We asked our members how high they want the bar for membership to be.

that moves beyond competitive to monopolistic – beyond what a reasonable member would see as competitive and wasn't concerned about this provision. Another large firm was not concerned by the provision as drafted.

- Some of the obligations are very specific (eg insurance) and others unclear (such as what do we mean by "robust" quality systems – are they inspected? Is there a practice note with a standard? Etc)
- One sole trader was opposed to all of the proposed "working environment" section and the "membership commitments". They were also opposed to members being required to report on other members.
- One respondent from a medium firm was "troubled by ACE dictating so much about business practices because ACE is not assessing, regulating or quality marking their member businesses."
- Another respondent noted that we could be more explicit around business practices vs services delivery – noting that it was impractical to extend our member obligations to aspects of service delivery.
- One respondent wanted to see something about promoting wellness and gender wage equality in the work environment.
- One respondent raised concern about how "fit and proper" is defined.

The proposed new "working environment" obligations raised the most discussion:

- It was noted that some members may require guidance or support for some of these new obligations, in that while they may have sustainable practices in place, or manage complaints appropriately, they won't always have a written policy or process. This led one respondent to comment that they would prefer not to reference "policies and procedures" in proposed Rules (g) and (h), and instead be more directive: "Promote inclusive workplaces ..." and "support the sustainable management ...".
- Along the same lines, one sole trader liked the working environment obligations, but was thoughtful about how firms would demonstrate compliance, and we'd need to support this with clear communications and guidance – including basic templates. It's not really an issue of application of these principles for sole traders, but of scale, and what is expected. This member supported the "growth" approach.
- One respondent was concerned about proposed obligation (h) around environmental sustainability, given the role clients play here which won't always be in the consultant's control. This respondent suggested the trick is to recognise a commitment to

sustainable management of the environment in a way that resonates with how our members do business – and it was suggested we could look to “environmentally responsible” or “respect for”.

- It was suggested that a commitment to environmental sustainability could also sit better in the objectives.

A couple of members also noted that the requirement to report on other members is very strong – one commented that individuals would take that very seriously and this member was concerned about the gravity of an obligation on them in that regard, another mentioned that they would be uncomfortable doing this without all the facts. This member supported leaving the obligation there as it sets a line but questioned what is “reasonable grounds”. This is a current obligation and not a new proposal.

Board Decision

The Board agreed to proceed with the proposed new member obligations with some tweaks in response to the feedback, including:

- Not specifying an exact PI amount, but rather allowing the Board to set this as appropriate from time to time
- Being clearer about the conflict of interest to be managed
- Providing a stronger focus on business practices over service delivery
- Removing the specific obligation to have policies or systems in place for the “working environment” obligations, recognising some smaller firms and sole traders will have the right practices in place, but not necessarily written policies, and that this should be acceptable.

The Board noted that the membership commitments sit in the current Rules and are not new proposals. ACE is committed to providing guidance to members on how to meet these new obligations, across the scale of firm size.

5.3 Member categories

What we proposed

We asked members whether we should retain retired and honorary memberships, which are targeted to individuals, given that we are a firm-based membership organisation.

What we heard

Members strongly supported renaming “Ordinary Member” to “Member”. Members also strongly supported

We asked members whether we should rename “ordinary members” to “member” to describe the single tier of ACE New Zealand membership.

We asked members whether we should keep the membership class “Associate member” or whether we should look at a programme to build a broader base of strong strategic partnerships instead.

us reconsidering the associate member class and instead looking to form strategic partnerships.

There was a very mixed response to the question of whether we should retain our individual membership classes – retired and honorary members. Four survey respondents said yes, four said no, and nine were unsure. There was a call from a couple of respondents that we need to keep the membership structure simple, and in this way, we needed to be really clear on the purpose of individual membership classes. Commentary noted that these individual members bring great value, and maintaining the membership keeps open an avenue for engagement. Others saw it as important that we celebrate and recognise individuals, but this didn’t need to be through individual memberships that had rights attaching to them and obligations that are more appropriately oriented towards firms and not individuals.

Board Decision

The Board agreed to proceed with renaming “Ordinary Member” to “Member”, remove the Associate Member class, and to keep individual memberships for now.

5.4 Criteria for Ordinary Membership

What we proposed

We asked members whether we should review and simplify the criteria for Ordinary Membership, and better distinguish within the Rules what are member criteria from what are member obligations – at the moment, the criteria for Ordinary Member mix both. We recommended the rule be amended to:

“A Member is a firm that:

- a. is ordinarily resident or incorporated in Aotearoa New Zealand,*
- b. provides professional services consulting in Aotearoa New Zealand,*
- c. commits to ACE New Zealand’s Member Obligations, and*
- d. in the opinion of the Board, is a fit and proper firm for ACE New Zealand membership.”*

What we heard

Members supported simplifying the criteria for Ordinary Membership:

- 88 per cent of survey respondents (15 of 17) agreed that we should simplify the criteria for Ordinary Membership. One said no and one was unsure.
- Of the 15 that supported, 12 agreed that the Rules should set the minimum intrinsic criteria for membership and the other obligations, behaviours and competencies we would expect from firms should sit in the member obligations section of the Rules. Two respondents were unsure.

There were no clear themes arising in the feedback about the criteria for Ordinary Membership. Comments provided covered the following

- Three respondents expressly commented that they agree with removing the requirement that the control of the firm be with someone who is a Fellow or Chartered Member of Engineering New Zealand or an equivalent – one commenting that it is inappropriate today and self-limiting to the Association. That

member also noted the criteria should be black and white and inform the decision of eligibility for membership. Obligations and behaviours etc should attract potential for discipline if breached.

- Whereas a sole trader commented the member firm should be led and controlled by a member of a recognised professional body which has a “rigorous” code of ethics and disciplinary processes in place.
- Two respondents raised a question about the definition of “fit and proper” and considered it vague. There is case law around how “fit and proper” has been defined by the Courts over time, and the purpose is to ensure breadth of application. It is a high legal threshold.
- One respondent was not sure about the provision to be incorporated or reside in NZ given the international ownership of a lot of companies. Another respondent also raised the question of whether there is potential for non-NZ incorporated firms to become a member while practising in NZ and providing services in NZ.

Board Decision

The Board agreed to proceed with the simplified criteria for membership, as proposed in the consultation.

5.5 Ordinary Member Representatives

What we proposed

The current Rules allow Ordinary Members to nominate representatives who exercise the rights of the Member firm in several capacities (for example, voting).

A representative is required to be either an individual who carries on sole practice, a partner in a partnership, or an employee of the Ordinary Member “holding a senior management position within a Firm”. “Senior management position” is not defined.

We know some groups are not fairly represented within the senior management of our firms, and this is an endemic diversity and inclusion issue we are working to address. Requiring representatives to be in senior management positions could serve to unintentionally reinforce biases against those groups. We asked members whether it could be more inclusive to give firms the flexibility to nominate representatives appropriate to their interests, rather than limiting it to senior personnel only.

What we heard

The response to this was split. 53 per cent of respondents agreed (9 of 17) while four were unsure and four said no. In member interviews, there was support for providing flexibility here and that firms should be able to decide who represents them and speaks on their behalf with authority. But caution was also expressed in the responses – to ensure representatives have appropriate capability, knowledge, and delegated authority to make decisions on behalf of the business they are representing. One respondent suggested this section could be left open, and words relating to capability and suitability could be included. And another suggested this could be complemented by a clear nominating process within firms.

It was noted that the purpose of ACE is to engage at the senior management level. One respondent said that if a firm wants an employee to represent them that person should naturally be in a senior role, and if they aren’t, the firm should promote them into one. Another noted that because ACE is a firm-based membership organisation it

is the view of the firm that needs to be heard, and that comes from senior leadership.

Board Decision

The Board agreed to proceed with flexibility for firms to choose their own representative, but for the Rules to be clear that person is responsible to act on the delegated authority of the firm.

5.6 Rights of members

What we proposed

The Rules provide that members have certain rights related to attending meetings, voting at meetings, and standing for election to the Board.

No substantive changes were proposed but there were areas that we suggested tidying up to resolve inconsistencies with other Rules and to provide greater clarity to their meaning. For example, the following Rules:

- Only employees of an Ordinary Member who have the consent of a Representative may attend a general meeting of the Association or its other meetings” – we noted this was impractical to enforce and not inclusive, and suggested all employees be able to attend.
- Each Ordinary Member Representative has the right to nominate or be nominated for an elective office of the Association – we noted that the new Rules relating to Board elections as passed in 2020 do not restrict Board positions to just Representatives.
- Limitations around who can receive published proceedings of the Association
- Each Member may seek the advice and support of the Association “on any matter” – we noted this obligation is potentially too wide for a lean organisation.

What we heard

There was support for these Rules and the proposed update. A sole trader noted that while they are not opposed to employees attending a general meeting it needs to be clear they have no voting rights. This member was also opposed to any employee being able to stand for the Board and thought it should be member representatives only – this Rule to allow any employee to stand for the Board was added to our Rules in 2020. This member was concerned that there not be several employees of one firm having disproportionate representation. One respondent felt we were moving from member rights to employee rights – and we needed to provide greater clarity here.

Board Decision

The Board agreed to proceed as proposed in the consultation to provide greater clarity to these Rules, and remove inconsistencies.

5.7 Admission to membership

What we proposed

The Rules currently provide that every membership application shall be made in a form prescribed by the Board.

What we heard

Survey respondents agreed that the Board should give reasons for refusing a member application (76 per cent of

We discussed with members that we think it is appropriate the Board maintains flexibility around the application process, so we didn't propose any substantive changes to this section, other than to revise it into plain English.

But, looking ahead to the new incorporated societies legislation, we asked members whether we should make three new additions to this Rule now, in anticipation of the new legislation:

- a. Include a provision that we get a person's consent to be a member
- b. Include a provision about when a member may be declined membership and for the Board to provide reasons why a member application is declined
- c. Include a provision around the requirement on us to keep a register of members and to keep it up to date.

respondents (13 of 17)). Only one survey respondent said no and three were unsure.

There was also support for including a provision around the membership register and process for keeping it up to date (76 per cent of respondents).

Board Decision

The Board agreed to proceed as proposed and to bring this Rule in line with the new legislative requirements.

5.8 Termination of membership

What we proposed

Currently a membership can be terminated:

- If the member resigns
- If they don't pay their subscription
- Following a disciplinary process
- If the member ceases to fulfil the necessary criteria for membership
- If the firm goes bankrupt or into receivership or liquidation
- If the constitution of the firm changes significantly.

We didn't propose any substantive changes to this Rule other than to put it into plain English, but we did ask whether we should make it clear that a member firm cannot resign to avoid a disciplinary process.

What we heard

Respondents supported making it clear in our Rules that a member firm cannot resign to avoid a disciplinary process (71 percent of respondents (12 of 17). Two said no, and three were unsure. One member said a member should be able to resign at any time and for any reasons, including to avoid discipline. In member interviews, this proposal was also supported. One respondent suggested we could tighten our wording around "constitution" of the firm.

Board Decision

The Board approved proceeding as proposed, including to make the Rules clear that a member should not be able to resign to avoid a complaint.

5.9 Discipline

What we proposed

What we heard

We didn't provide a revised draft of this Rule for feedback, but asked a range of questions in our consultation:

We asked members if we should provide greater clarity in the Rules about what members can be disciplined for and potential penalties.

For members that considered our Rules should provide greater clarity on what members can be disciplined for, we asked whether members agreed that the scope for discipline sits in whether a member is complying with their member obligations. We also asked what other grounds for discipline they would propose.

We also asked members what they think are appropriate penalties for member firms that are found to not be complying with their member obligations.

And finally, we asked whether we should amend the rules now in advance of the new legislation to allow for the Board to develop procedures for the hearing of complaints that members have about the Association, and what would they consider important to include in those procedures?

Most respondents across the survey and interviews agreed that we should provide greater clarity in the Rules about what members can be disciplined for and potential penalties. One member was unsure. No members disagreed. Most respondents (82 per cent of survey respondents – 14 of 17) also thought we should amend the rules in advance of the new legislation to allow for the Board to develop procedures for the hearing of complaints that members have about the association. Two were unsure and one said no.

Scope of discipline

All respondents agreed that the scope for discipline sits in whether a member is complying with their member obligations. We asked members what other grounds for discipline they would propose. Other suggestions offered included:

- in the case of criminal convictions, fraud and bribery or other financial misbehaviours from firm directors, and
- in the event of a member bringing membership into disrepute.

A number of respondents said they would not add any other grounds for discipline, noting that we are not a regulator and members do not expect more from ACE. One respondent noted that we need to be careful we are not duplicating processes that are best managed elsewhere (such as with Engineering NZ). Another respondent noted that if a matter warrants discipline outside of our member obligations then our processes should make it clear we will refer the matter to the appropriate regulator/agency.

Penalties

With regards to penalties, we asked members what penalties they thought would be appropriate for a member not complying with their obligations. Responses included:

- Revocation of membership or suspension until evidence of compliance is provided
- Termination with forfeiture of any paid subscription
- Consistent with Engineering NZ penalties but with harsher penalties

A number of members noted that the penalty should be binary – membership or not. Comments included:

- If membership is elevated in status as a respected mark of a firm operating within certain standards, then the penalty of expulsion would be a meaningful punishment for not meeting obligations
- ACE is not a regulator so it would not be appropriate for ACE to impose a financial penalty on a member – the key question is membership or not.
- ACE should only apply a notice of improvement needed, or suspension
- One respondent suggested a type of “enforceable undertaking” which lifts understanding and performance – and that penalties should be a last resort.
- Flexibility was supported – and it was noted by a couple of respondents that the penalty should be proportionate to the non-compliance with an appropriate window to make right the non-conformance.

For complaints procedures

We asked members what was important to consider when drafting those procedures. Respondents commented on the following:

- Level of discretion to the Board
- Need to provide for ACE to respond to complaints and commence a process on its own initiative.
- There needs to be a clear distinction between a member who is deliberately avoiding their obligations as against one who is mistaken or uneducated in their obligations.
- Independence
- Capped and short timeframes
- A preliminary process to determine whether a complaint should proceed and a complaint filing fee to prevent vexatious complaints
- Transparency in findings and a system that promotes learning and evolution.
- Disciplinary decisions should not be subject to appeal, but members who have been removed should be able to reapply. Another respondent said there should be an appeal process.
- The Rules could better outline the process and how certain issues might be managed (for example, use of facilitation/mediation), and an upfront assessment of jurisdiction.
- Could include temporary suspension while dealing with an issue, pending outcome of an investigation.

Board Decision

The Board agreed to include in the Rules reference to the procedures for making complaints about members and the association, as will be required by the new legislation. The Board agreed to proceed with grounds for discipline aligned to a breach of member obligations or other

misconduct, which is also consistent with the new legislation. All the detailed processes for managing complaints will sit in separate regulations that can be amended as required from time to time by the Board, but penalties will sit in the Rules. The Board agreed with the feedback that penalties should sit around what a breach means for membership, as the disciplinary process is about protecting the brand and credibility of ACE and its members.

5.10 Regional Chairs

What we proposed

We asked members whether we should review the role of regional chairs to better reflect the strategic nature of the roles and allow for greater flexibility in how regional chairs meet the responsibilities of their role in their specific regions. We suggested that the roles could sit around:

- Building strong member, client and stakeholder relationships in their regions
- Being the regional champion of the ACE New Zealand strategy
- Representing ACE New Zealand at regional meetings and events, and
- Being the connector for the ACE New Zealand community in their region.

We also suggested the Rules should give the regional chairs greater flexibility to perform their role in a way that's appropriate for their region. Maintaining a connection to the Board is important, but prescribing the need for a report to each Board meeting is onerous.

We also suggested the Rules allow the Board to provide for the creation of other groups such as the Young Professionals Group, creating clear objectives and responsibilities for them.

What we heard

82 per cent of survey respondents (14 of 17) thought we should review the role of regional chairs to better reflect a strategic nature to those roles, and to allow for greater flexibility in how they carry out their responsibilities in their specific region. Three survey respondents were unsure, and no survey respondents said no. In member interviews, all interviewees were supportive of this proposed update.

Comments supported the examples provided. One respondent felt that a minimum number of events should remain, and another commented that ACE should help RCs and "organise" them to attend different events to represent ACE.

One member commented that they question whether geographical basis for branches is the most effective structure, given there are very few organisations that work solely in one region. They noted they would get more value from a branch based on either size of organisation and/or area of work (such as small company, water sector). They noted that if regional branches are for networking, then that is a duplication of other organisations (Engineering NZ, NZPI), so ACE would be better to focus on where it can add value. One noted there needs to be a next tier CE forum to enable collegial relationships.

With regards to forming other groups, some respondents raised concern about dilution across other engineering groups and potential for duplication with YP groups in other organisations (Engineering NZ, INZ). One

respondent noted that the Rules should provide for the creation of groups but there needs to be a national level coordination to focus ambition and energy.

Board Decision

The Board approved proceeding as proposed, keeping regionally based roles, but considering within the broader ACE strategy the importance of not duplicating other organisations regional and group functions, and other opportunities to engage members with similar needs and interests.

5.11 Annual subscription

What we proposed

We recommended this Rule be updated to allow for the member rate for the upcoming financial year to be notified to members no later than three months before the start of the upcoming financial year.

What we heard

88 per cent of respondents (15 of 17) agreed with this recommendation and two disagreed with no reasons provided.

Board Decision

The Board agreed to proceed with this proposal but in the new draft Rules have reduced the notification timeframe to two months rather than three. This is because if it is three months it falls within the Christmas period, which doesn't complement ACE's budgeting cycle. Two months is still sufficient notification to allow firms to raise concerns or assess their options ahead of the new financial year.

5.12 Governance and management

What we proposed

We didn't propose any substantive changes, but we made a number of small recommendations aimed at tidying up this section of the Rules and providing more clarity, including that we:

- Group the Rules relating to governance better
- Be less prescriptive on the number of meetings the Board should have per year
- Have fewer layers of subcommittees
- Include an authorities section which provides that a decision of the Board on the interpretation of the Rules is final and binding on all members
- More clearly state that the control of the Association's funds is vested in the Board and the Board may authorise any expenditures it considers necessary to further to Association's objective

What we heard

Respondents supported grouping the Rules relating to governance better. Additional comments on this section included:

- There needs to be a minimum number of Board meetings each year (a couple of respondents raised this) so members know there will be governance oversight and it won't drop off
- There needs to be clear accountability and consequence for the roles which are being indemnified
- The budgeting process is outdated and impractical.
- We should consider external (independent) Board members in accordance with best practice governance. It is noted here that the current Rules allow for the appointment of independent directors.

- Remove the requirement on the Board to present its budget at the AGM, which is five months after the financial year has started
- Clearly provide for the indemnity of present and past Board members, committee members, the chief executive and staff and other representatives in respect of liabilities arising from the performance of their functions or duties to ACE New Zealand
- Add a provision for when Board members and Regional Chairs may be removed from Office – we proposed when they resign in writing, their firm ceases to be a member, or where they are found by resolution of a 75 per cent majority of the Board to be in breach of their responsibilities of Office as set out in the Board Charter.

One respondent noted the Board’s interpretation of the Rules should not be final and binding, and there should be scope for independent arbitration/legal review. A provision that the Board’s interpretation of the Rules is final and binding is a common provision in association Rules, and it prevents lengthy disputes between members. This Rule does not remove the ability of members to seek judicial review of a decision of the Board on the interpretation of any Rule.

88 per cent of survey respondents (15 of 17) agreed with the grounds proposed for removing a Board member from the Board (all interviewees agreed). One disagreed and one was unsure. An additional ground suggested was that there could be a stand-down period if their employing firm was in breach of their obligations (but not expelled from ACE). Respondents agreed that similar provisions would apply to the removal of a regional chair, with the addition of where relocation impacts their ability to engage with members in the region.

The Board approved proceeding as proposed with some minor tweaks in response to the feedback, including adding a minimum number of Board meetings per year.

Board Decision

5.13 Meetings of the association

What we proposed

We didn’t propose any substantive changes, but to pre-empt the new legislation we asked members whether we should:

- Provide clarity on how members can raise a motion for a general meeting
- Allow for written resolutions to be provided in lieu of a general meeting and if so, when
- Review the quorum for general meetings and minimum number of eligible voters needed to request a special general meeting given the growth in ACE’s membership.

What we heard

We asked members what they thought was important for us to include in our new Rules relating to how members can raise a motion for a general meeting. Responses included clear details of timeline and content, coupled with an eligible seconder. A member also noted that for quorum it would be better to provide for a percentage of members as opposed to numbers.

There was a mixed response to the question of whether we should allow for written resolutions in lieu of a general meeting. 41 per cent said yes (7 of 17), 24 per cent said no (4 of 17) and 35 per cent were unsure (6 of 17). For members that did support it, we asked when it would be appropriate. Responses included that it would be appropriate when consultation with the wider membership base is required and to allow adequate time to consider. Another two noted that it would be appropriate whenever (to remove undue bureaucracy and

process) provided there was a process to allow debate at a general meeting if a member requested that. Another suggested it would be appropriate for minor amendments.

Only half of respondents felt we should review the quorum for general meetings and the minimum number of eligible voters needed to request a special general meeting. Suggestions included to change it to a percentage of membership (with 10 per cent being noted as an absolute bottom line), 20 members, and 50 per cent of members represented for an AGM and 25 per cent for an SGM.

One member commented this section needs to be as simple as possible – that so many rules and procedures are archaic and disengage many participants. The respondent noted: "It's time for an overhaul!"

The Board approved proceeding as proposed, with clear procedural rules relating to AGMs and SGMs, including timeframes, how to raise a motion, and a quorum of 15 per cent of eligible voters. At this stage, the Board has not allowed for written resolutions in lieu of a general meeting, given the mixed feedback.

Board Decision

5.14 Notices, Rule changes, distributions and seal

What we proposed

The Notices section of the Rules needs to be updated to reflect electronic communications – currently it refers only to notice being given if posted by ordinary post.

We recommended amending the Rules to include a process for when consultation with members regarding a proposed Rule change is required ahead of a general meeting and we asked whether we should prepare for the new legislation by including a process for minor or technical amendments outside of a general meeting.

With regards to distributions, for the purposes of the new legislation, we need to be clear that the receiving institution or organisation needs to be a not-for-profit entity.

With regards to the seal, we recommended this Rule stay the same and only be reviewed for plain English.

Board Decision

What we heard

There were no comments on the recommendation to update the Notices, Distributions, or Seal sections of the Rules.

The Board approved proceeding as proposed.

6 Your feedback considered

The Board considered all the feedback and asked the ACE team to draft a new set of Rules in line with the original proposals, with some tweaks based on the feedback as set out above.

The Board were keen to keep the Rules broad in terms of the scope of membership, preferring the language of “Professional Services Consulting” rather than “Consulting and Engineering” to future-proof the Rules, noting however that the relevant context remains consulting in the built and natural environment.

New Rules were drafted on this basis, and they have been reviewed by external legal advisors at Dentons Kensington Swan, with the legal advice accepted and included in the draft Rules.

7 What happens next

We now need your final feedback on the proposed new Rules so you can raise any final concerns before we ask you to vote on them. The proposed new Rules are set out below [on Page 21](#), and we invite you to review and let us know what you think.

The Board will review all the feedback and make any necessary changes before approving a final version for you all to vote on at a Special General Meeting at the end of the year. Our Rules can only be changed by resolution passed by a majority of not less than 75 per cent of the eligible voters present or by proxy and voting at the Special General Meeting.

The Rules propose some fundamental changes to the purpose of ACE, the responsibilities of members, and the membership structure, so it is important we hear your views.

We'll need your feedback by **9 November 2022**.

Let's talk // you can

- complete our survey
- email your feedback to letstalk@acenz.org.nz
- give Helen a call anytime on 022 1087 167
- book a time to chat with Helen by emailing nicole@acenz.org.nz with “Rules review” in the subject line.

We look forward to hearing what you think!

8 Our proposed new Rules

We are the Association of Consulting and Engineering New Zealand Incorporated (trading as ACE New Zealand), an incorporated society under the Incorporated Societies Act 1908.

Contents

Section One – Tenets	23
1 Name	23
2 Interpretation.....	23
3 Purpose.....	23
4 Member obligations and duties	24
Section Two – Membership	25
5 Member categories and criteria.....	25
6 Becoming a member	25
7 Ceasing to be a member.....	26
8 Rights of members.....	27
9 Membership fees.....	27
10 Complaints	28
Section Three – Governance and Management	30
11 Composition of the Board	30
12 Board terms and casual vacancies	30
13 Board elections, appointments and removal.....	31
14 Procedures, functions, powers, and duties of the Board	31
15 Appointments	33
16 General meetings.....	33
17 Changing the Rules.....	34
18 Regulations.....	35
19 Distributions	35
20 Common seal	35
Section Four – Regional Chairs and Groups	36
21 Regional chairs	36
22 Groups and forums	36
Schedule One – Member Representation	38

Section One – Tenets

1 Name

1. Our name is THE ASSOCIATION OF CONSULTING AND ENGINEERING NEW ZEALAND INCORPORATED, trading as ACE NEW ZEALAND.

2 Interpretation

Definitions

- 2.1. 'Act' means the Incorporated Societies Act 1908 or any Act which replaces it (including amendments to it from time to time), and any regulations made under the Act or under any Act which replaces it.
- 2.2. 'Annual Membership Fee' means the membership fee set by the Board for each Financial Year.
- 2.3. 'Board' means the governing body of ACE New Zealand.
- 2.4. 'Chief Executive' means the person appointed by the Board and delegated the duties of Chief Executive under Rule 15.1.
- 2.5. 'Days' means calendar days, unless otherwise stated.
- 2.6. 'Financial Year' means the 12 month period starting 1 April and ending 31 March the following year.
- 2.7. 'Firm' includes a sole practice, a partnership or a company.
- 2.8. 'General Meeting' means an Annual General Meeting or a Special General Meeting.
- 2.9. 'Member' means a Firm that is a Member of ACE New Zealand.
- 2.10. 'member' means a firm that is a Member, an Honorary member, or a Retired member.
- 2.11. 'Membership Register' means the register of all members held by ACE New Zealand in accordance with the requirements of the Incorporated Societies Act 1908
- 2.12. 'Purposes' means the Purposes of ACE New Zealand listed in Rule 4.
- 2.13. 'Regulation' means a regulation created under Rule 18.
- 2.14. 'Rule' means a Rule of ACE New Zealand unless another interpretation is specified.

Additional provisions

- 2.15. Where the context requires otherwise, the singular includes the plural and vice versa.
- 2.16. Substantial compliance with the spirit and intent of these Rules is sufficient. No decision, resolution, appointment, meeting, election, or any other exercise of powers conferred or implied in these Rules will be invalid because of a failure to solely comply with these Rules.
- 2.17. If the Board decides there are provisions in these Rules that are contrary to law, it may amend the Rules to remove that conflict. Any amendment for this purpose will be notified for endorsement at ACE New Zealand's next General Meeting.
- 2.18. Nothing in the Rules authorises ACE New Zealand to do anything which contravenes or is inconsistent with the Act, any regulations made under the Act, or any other legislation.

3 Purpose

- 3.1 The Purpose of the Association is to provide leadership by supporting, promoting and representing professional services consulting in Aotearoa New Zealand, including by:
 - a. Representing member views and being an influential voice to positively shape Aotearoa New Zealand's policy agenda as it relates to professional services consulting;
 - b. Identifying emerging issues that impact professional services consulting and assisting members to respond;
 - c. Contributing to the development and recognition of effective and competent consultancy practice;
 - d. Building a strong and connected network of consulting professionals across Aotearoa New Zealand; and
 - e. Raising the profile of professional services consulting and the benefits members provide to society.

3.2 In all aspects of our work, we promote diversity and inclusion and recognition for Te Tiriti O Waitangi.

4 Member obligations and duties

ACE New Zealand membership sets a standard for the competency and practise of professional services consulting in Aotearoa New Zealand. To that end, in carrying out their business activities, members are expected to comply with the following obligations and duties:

Membership commitments

4.1 All members must:

- a. Comply with ACE New Zealand's Rules and Regulations, including the current Rules and any later changes to them.
- b. Conduct themselves at all times in a manner consistent with being a fit and proper member of ACE New Zealand.
- c. Conduct themselves in a manner that does not damage the rights or interests of a member or the rights or interests of members generally.

Commercial and marketplace behaviour

4.2 All Members must:

- a. Hold professional indemnity insurance and public liability insurance for a sum not less than that prescribed by the Board by Regulation under Rule 18.
- b. Disclose and appropriately manage conflicts of business interests with clients or potential clients.
- c. Compete in the marketplace, including with other members, in good faith and without unfair advantage.
- d. Engage openly and honestly with clients, and provide impartial and competent advice
- e. Have in place, and comply with, a policy or process for responding to client concerns or complaints.

Business practices

4.3 All Members must:

- a. Have quality management systems.
- b. Promote inclusive and equitable workplaces.
- c. Maintain the health, safety, and continued competence of their people.
- d. Have regard to the sustainable management of the environment and the wellbeing of communities across their business practices.
- e. Comply with any policies, processes or systems in place that relate to the obligations in a. to c. above.

4.4 The Board may, at its discretion, require members to provide evidence of how they are meeting their member obligations and duties.

4.5 If a member has reasonable grounds to believe that another member is not complying with these obligations, they must report the matter to ACE New Zealand.

Section Two – Membership

5 Member categories and criteria

Member categories

ACE New Zealand has three member categories:

5.1 ACE New Zealand has three member categories:

- a. Member
A Firm that is ordinarily resident or incorporated in Aotearoa New Zealand and provides professional services consulting in Aotearoa New Zealand.
- b. Retired Member
A person that is no longer practising in professional services consulting and has retired from a Firm that has been a Member for a reasonable period of time.
- c. Honorary Member
A person that is, or has recently been, practising professional services consulting with a Member firm and is recognised by the Board as having made an outstanding contribution to ACE New Zealand and/or professional services consulting in Aotearoa New Zealand.

5.2 ACE New Zealand maintains a public register of members (the “Member Register”). The Member Register contains each member’s name, the last known contact details of each member, and the date the member joined ACE New Zealand. The Chief Executive is responsible for updating the Member Register as soon as practicable after becoming aware of changes to any information recorded on the Member Register.

5.3 Every member must provide ACE New Zealand with that member’s name and contact details (including postal address, telephone number(s), and any email address, and for a Firm, the key contact person) and promptly advise ACE New Zealand of any changes to those details.

6 Becoming a member

6.1 A Firm becomes an ACE New Zealand Member by:

- a. Applying to ACE New Zealand using the application form and process prescribed by the Board, and
- b. Having that application approved by the Board.

6.2 A person becomes a Retired Member of ACE New Zealand by:

- a. Applying to ACE New Zealand using the application form and process prescribed by the Board, and
- b. Having that application approved by the Board.

6.3 A person becomes an Honorary Member of ACE New Zealand on invitation of the Board.

6.4 The criteria for becoming a member are that the Firm or person:

- a. Meets the definition of the relevant membership category set out in Rule 5;
- b. Commits to the relevant ACE New Zealand Member Obligations and Duties; and
- c. In the opinion of the Board, is a fit and proper Firm or person for ACE New Zealand membership, and
- d. Has consented in writing to be a member of ACE New Zealand, and in the case of a Member, through a person with appropriate authority to make decisions on behalf of the Firm.

- 6.5 The Board can decline a membership application for any reason, including if it considers the applicant does not meet the criteria under Rule 6.4. The Board's decision on a membership application is final and binding.
- 6.6 If the Board declines a membership application, it will give the applicant reasons for its decision.
- 6.7 When the Board approve a membership application, the applicant is advised and asked to pay any applicable Annual Membership Fee.
- 6.8 If the Board decides that a Firm or person was approved for membership on the basis of misleading or inaccurate information, the Board may declare that approval null and void.
- 6.9 Except as otherwise provided, any information provided to ACE New Zealand to support a membership application will remain confidential to ACE New Zealand and any of its delegated representatives involved in assessing the membership application.

7 Ceasing to be a member

Resignation

- 7.1 ACE New Zealand members may request to resign their membership at any time by giving written notice to the Chief Executive.
- 7.2 Upon resignation, any Annual Membership Fee paid by the member will not be refunded.
- 7.3 The Chief Executive may refuse to accept a member's resignation if the Chief Executive believes, on reasonable grounds, that the member is, or may soon be, subject to a complaint or inquiry made under Rule 10. In this case, the request for resignation will not be actioned until the complaint or inquiry process has completed and the parties have been notified of the outcome.
- 7.4 Where a member disagrees with the Chief Executive's decision on their resignation request, the member may ask for a decision to be made by the Board.

Suspension and removal

- 7.5 The Board may, at its discretion, suspend or remove a member for any one of the following reasons:
- If ACE New Zealand loses and is unable to re-establish contact with that member for a period longer than 90 days,
 - If the member's Annual Membership Fee or any other fees or subscriptions are in arrears (and in accordance with the procedures set out in Rule 9.9 to 9.11),
 - If, in the opinion of the Board, the member no longer meets the relevant member criteria in Rule 6.4,
 - If the ownership of a Member changes to an extent that, in the opinion of the Board, it is appropriate to remove the Member and invite it to reapply,
 - On the bankruptcy of the Member or on the appointment of a receiver or liquidator to manage or wind up the Member's Firm,
 - For disciplinary reasons, in accordance with the procedures outlined in Rule 10,
 - Pending or following the outcome of any professional disciplinary, court, or tribunal proceedings that may reflect on the member's fitness to be a member of ACE New Zealand.
- 7.6 The termination or suspension of membership does not relieve the member from any obligation, claim, or debt (including unpaid subscriptions) that arose prior to termination or suspension.
- 7.7 No member that has been suspended, removed, or has otherwise ceased to be a member may claim or imply membership of ACE New Zealand.

7.8 Any person or Firm that has ceased to be a member can apply to have their membership reinstated. The Board can approve the member's reinstatement with any conditions it sees fit to impose.

8 Rights of members

Member representatives

- 8.1 Each Member must nominate its ACE New Zealand Representative(s) who will exercise the rights of that Member. A Representative is:
- An individual who carries on sole practice, or
 - A partner in a partnership, or
 - An employee of a Member who has the authority to represent the Member, including the delegated authority to speak on the Member's behalf on matters pertaining to the Member's ACE New Zealand membership and to exercise the rights of that Member.
- 8.2 The number of Representative(s) a Member is entitled to have is calculated according to the size of the Firm, and according to a multiplier prescribed by the Board and as set out in Schedule One to these Rules.

Rights of members

- 8.3 Each member may use the prescribed ACE New Zealand membership badge to publicly demonstrate their membership of ACE New Zealand.
- 8.4 ACE New Zealand members and their staff may seek the advice and support of ACE New Zealand and/or the Board on any matter consistent with ACE New Zealand's purpose.
- 8.5 ACE New Zealand members and their staff may attend any General Meeting of ACE New Zealand, but only Representatives and Honorary Members have the right to:
- Introduce for consideration at the General Meeting any matter or motion; and
 - Speak to or vote on any motion before the General Meeting.
- 8.6 Except as otherwise provided for in these Rules, Representatives and Honorary Members can vote in any elections conducted by ACE New Zealand.
- 8.7 Representatives can appoint in writing another Representative from their Member Firm, and Honorary Members can appoint another Honorary Member, to act as their proxy for voting at a General Meeting. Proxies must be notified to the Chief Executive before the General Meeting.

9 Membership fees

Annual fees

- 9.1 The Board will set membership fees for each Financial Year (the "Annual Membership Fee").
- 9.2 The Board will notify members of the Annual Membership Fee no later than two months before the start of the upcoming Financial Year.
- 9.3 The Annual Membership Fee may be invoiced in two half yearly instalments, in April and September respectively.
- 9.4 Except as otherwise provided for in these Rules, members must pay the Annual Membership Fee.
- 9.5 Where a Member joins ACE New Zealand after 30 June, the Annual Membership Fee payable for that year will be prorated for the remainder of that year.
- 9.6 The Board may, at its discretion, offer discounts on, or waive, the Annual Membership Fee, including for the following:

- a. Retired Members;
- b. Honorary Members;
- c. Members whose application for membership is received within 12 months of that Member setting up a consulting practice for the first time; and/or
- d. on the basis of reciprocal arrangements with other relevant industry associations.

9.7 In special circumstances, the Board has discretion to remit any Annual Membership Fee in part or in full, make special conditions for payment, approve a Member's application for a rebate, or delegate any of these authorities to the Chief Executive.

9.8 Members remain liable for any Annual Membership Fee or other applicable fees and subscriptions due prior to the date of their resignation or removal.

Arrears

9.9 Members who do not pay their Annual Membership Fee (or part thereof) or any other applicable fees or subscriptions within three months of their due date are "in arrears of their fee".

9.10 If a member remains in arrears of their fee for six months after the due date, the Board may remove their membership.

9.11 Members in arrears of their fee may have their rights of membership (as defined in Rule 8) suspended until the arrears are paid.

10 Complaints

10.1 The Board will prescribe Regulations (the "Dispute Resolution Procedures") that set out procedures for the early resolution, investigation, hearing and determination of any complaint that a member, Board member or ACE New Zealand has

- a. breached or is likely to breach their obligations or duties under the Rules, and/or
- b. has otherwise engaged in misconduct.

10.2 A complaint is any complaint made in accordance with the Rules or Dispute Resolution Procedures.

10.3 The Dispute Resolution Procedures must provide for a fair process for the resolution, investigation, hearing and determination of complaints, consistent with the rules of natural justice.

10.4 The Chief Executive must respond to any complaint in accordance with the Dispute Resolution Procedures.

10.5 The Chief Executive and/or Board can also initiate action (an inquiry) under the Dispute Resolution Procedures on their own initiative if they receive information indicating that a member, Board member, or ACE New Zealand may have breached their obligations or duties under the Rules.

10.6 A complaint or inquiry, and any decision on a complaint or inquiry, may relate to a member who is no longer an ACE New Zealand member but who was a member at the time of the relevant conduct.

10.7 The Board may appoint a Disciplinary Committee under Rule 14.5 to deal with any complaint in accordance with the Dispute Resolution Procedures.

10.8 If, following the procedures set out in the Dispute Resolution Procedures, a Disciplinary Committee upholds a complaint or inquiry the Disciplinary Committee may make one or more orders that:

- a. The member's membership is terminated, either permanently or with a stand-down period of any length during which the member may not reapply for membership.
- b. The member's membership is suspended for any period.

- c. The member meet any conditions the Disciplinary Committee considers appropriate before that member has their membership reinstated under Rules 10.8(a) or (b).
- d. The member receive mentoring or meet any other compliance measures as specified by the Disciplinary Committee.
- e. The member be reprimanded or admonished;
- f. The member pay a sum towards the costs directly attributable to the investigation, hearing and /or determination of the complaint, as incurred by ACE New Zealand.
- g. The member's name, the order or orders made by the Disciplinary Committee, and a copy of the decision or a description of the breach are published.

Section Three – Governance and Management

11 Composition of the Board

11.1 ACE New Zealand is governed by a Board consisting of:

- a. Six elected board members (together, the Elected Board Members); and
- b. Up to three appointed board members (together, the Appointed Board Members).

(together, the Board)

11.2 All members of the Board:

- a. must be natural persons;
- b. must be an employee of a Member and/or an Honorary Member;
- c. have consented in writing to be a Board member; and
- d. have certified they are not disqualified by the Act from being elected or appointed or otherwise holding offices as a member of the Board.

11.3 Appointed Board Members will usually be an employee of a Member or an Honorary Member, but need not be.

12 Board terms and casual vacancies

12.1 Elected Board Members are elected to the Board by member vote in accordance with Rule 13 and for a three-year term.

12.2 Two of the Elected Board Members complete their term at each Annual General Meeting.

12.3 Any Elected Board Member on completion of their term is eligible for re-election up to a maximum of two consecutive terms (or six consecutive years).

12.4 For Elected Board Members, a “term” begins at the conclusion of the Annual General Meeting immediately following their election and ends at the conclusion of the third Annual General Meeting.

12.5 Appointed Board Members are appointed by the Elected Board Members for a one-year term at the first meeting following the Annual General Meeting in any year and may serve up to three consecutive one-year terms at the discretion of the Elected Board Members (or three consecutive years).

12.6 The President and Vice President are appointed for a one-year term by the Elected Board Members at the first meeting following the Annual General Meeting in any year and may serve up to three consecutive one-year terms at the discretion of the Elected Board Members (or three consecutive years).

12.7 The President and Vice President must be an Elected Board Member.

12.8 A Casual Vacancy on the Board arises when:

- a. An Elected Board Member or Appointed Board Member resigns from the Board before the expiry of their term; or
- b. A vacant position on the Board is not filled at election of the Board.

12.9 The Board may appoint any employee of a Member or an Honorary Member to fill a Casual Vacancy, except that a Casual Vacancy arising in the role of President or Vice President can only be filled by a current Elected Board Member.

12.10 A person appointed to fill a Casual Vacancy will hold that office for the remainder of the term of the Board member they replaced and in the case of an Elected Board Member position, are deemed to take the position as if duly elected. The service of a partial term in these circumstances does not count for the purposes of Rules 12.1, 12.3, 12.5, or 12.6.

13 Board elections, appointments and removal

13.1 Elections for Elected Board Members are held once a year, with the results announced at or before the Annual General Meeting.

13.2 At least ten weeks before the Annual General Meeting, ACE New Zealand will:

- a. Advise members of the timetable for the election
- b. Open the call for nominations for any Elected Board Member vacancies
- c. Invite expressions of interest for Appointed Board Member positions

13.3 Nominations for Elected Board Members must be received by the Chief Executive by the date specified in the election timetable.

13.4 The names of all nominees for Elected Board Member positions will be made available to members at least four weeks before the Annual General Meeting and voting will open at that time. Voting will close no later than two weeks before the Annual General Meeting.

13.5 At the Board's discretion, the election process may be undertaken using electronic means and may be conducted using a preferential voting system.

13.6 All Honorary Members and Members who are up to date with their Annual Membership Fee are entitled to vote:

- a. Honorary Members have one vote
- b. Members are allocated a number of votes according to their organisation size as determined through ACE New Zealand's annual personnel survey and as outlined in Schedule 1 to these Rules.

(together, Eligible Voters)

13.7 Elected Board Members and Appointed Board Members may be removed from office where one or more of the following apply:

- a. they offer their resignation in writing to the President before the end of their term;
- b. their employing firm ceases to be a Member of ACE New Zealand due to resignation or removal;
- c. following a fair process, they are found by resolution of a 75 per cent majority of the Board to be in breach of their responsibilities of office, as set out in the Board Charter;
- d. no longer meet the qualification requirements set out in the Act.

14 Procedures, functions, powers, and duties of the Board

Functions and powers

14.1 The Board is responsible for the governance of ACE New Zealand and is accountable to members for advancing ACE New Zealand's Purpose.

14.2 The Board may exercise all the powers of ACE New Zealand subject to the Act and the Rules.

Meetings and procedures

14.3 The Board will meet as often as required for the business of ACE New Zealand and not less than four times per year.

- 14.4 The President is the Chair of any meeting of the Board. Where the President is unavailable to attend a Board meeting, the Vice President will act as Chair.
- 14.5 The quorum for Board meetings is five and must include either the President or the Vice President. Board members linked to a meeting by teleconference or video are deemed to be present for the purposes of a quorum, voting, or for any other purpose required by these Rules. If a quorum is not achieved, the Board meeting will be deferred to another date.
- 14.6 Decisions and motions put to the Board will be decided by a majority vote. In the case of equal votes, the Chair has a second or casting vote.
- 14.7 The Board may appoint committees for special purposes and may delegate any of its powers to those committees. Committee members may include Board members and any other persons at the Board's discretion. Committees can meet and conduct their business as is appropriate to their mandate and in accordance with any directions from the Board, and will decide any questions by majority vote. Committees are responsible to the Board and must regularly report to it on their activities.

Strategy and Finance

- 14.8 The Board will develop and implement a strategic plan for meeting the Purpose, taking into account the views of ACE New Zealand members.
- 14.9 The control of ACE New Zealand's funds is vested in the Board. The Board may authorise any expenditure it considers necessary to further the Purpose and implement the strategic plan, including (but not limited to) the purchase, lease, hiring or other acquisition of any real or personal property and any right, privilege or advantage.
- 14.10 The Board will ensure the financial accounts are kept up to date and accurately capture all revenue and expenditure of the Association, and the assets and liabilities of the Association.
- 14.11 Without limiting the Board's general powers set out in Rule 14.2, the Board may:
- a. deal with ACE New Zealand's funds by bank deposit, investment, and securities as it considers necessary to further the Purpose.
 - b. withdraw sell, or otherwise convert into money any deposit, fixed or floating asset or security of ACE New Zealand and may deal with that money in any manner permitted by the Rules.
 - c. sell, lease, exchange, bail, grant licenses in respect of, or otherwise deal with, turn to account or dispose of all or any part of the property or assets of the Association.
 - d. borrow money to further the Purpose and grant such security (if any) over any assets of the Association it thinks fit, and may give guarantees and security in support of those guarantees.
 - e. delegate to the Chief Executive the authority to authorise payments up to set amounts. The Chief Executive may delegate authority to authorise payments below those set amounts to any other staff.
 - f. approve honorariums or other payments to ACE New Zealand members for services rendered.

14.12 At the end of each Financial Year, the Board will prepare and make available to members an Annual Report and an Annual Financial Statement.

14.13 The Annual Financial Statement must be certified by an Auditor, appointed in accordance with Rule 15.6 or 15.7.

14.14 The Annual Financial Statement is put to members for approval at the Annual General Meeting.

Authorities

14.15 The decision of the Board on the interpretation of the Rules is final and binding on all ACE New Zealand members.

Indemnity and insurance

14.16 ACE New Zealand indemnifies present and past Board members, committee members, the Chief Executive, all staff appointed by the Chief Executive, and any other representative of ACE New Zealand (paid or unpaid) in respect of any liabilities arising from the performance of their functions or duties connected to their role with ACE New Zealand. This may not apply in the event of wilful neglect and/or criminal misconduct.

15 Appointments

Appointment and duties of staff

15.1 The Board may appoint a Chief Executive and determine their conditions of employment and remuneration.

15.2 The Chief Executive is the Contact Person for ACE New Zealand as required under the Act.

15.3 The Chief Executive will perform duties as directed by the Board.

15.4 The Board may delegate any of its powers under these Rules to the Chief Executive.

15.5 The Board may determine the staffing complement (the number and type of staff) to be employed by ACE New Zealand, and the Chief Executive may appoint staff in accordance with that staffing complement.

Appointment of auditor

15.6 An Auditor will be appointed on resolution of members at the Annual General Meeting. The Auditor must be a Chartered Member of Chartered Accountants Australia and New Zealand.

15.7 Where the duly appointed Auditor becomes unavailable to perform the audit in any given year, the Board may appoint a different Auditor for that year. The Board must report to members on the change in appointment at the following Annual General Meeting.

16 General meetings

Annual General Meeting

16.1 The Annual General Meeting of ACE New Zealand is held once each calendar year.

16.2 The Board must give members at least four weeks' notice of the Annual General Meeting.

16.3 Members or Honorary Members wanting to introduce a motion for consideration at the Annual General Meeting must send written notice to the Chief Executive no later than three weeks before the Annual General Meeting. The written notice must include a request to introduce a motion, and the background to and reasons for the motion.

16.4 The Board may, at its discretion, refuse to accept a motion put forward for consideration at the Annual General Meeting where it is of the opinion that:

- a. Insufficient notice has been given; or
- b. The motion to be moved at the Annual General Meeting will have a significant impact on the membership, or a section of the membership, such that an additional period of notification and consultation with the affected group or groups is required.

16.5 If the Board refuses to accept a motion, it will give the Member or Honorary Member reasons why the motion is not accepted and information about the steps to be taken before the motion can fairly be put to the membership at a General Meeting. The Board will advise the Annual General Meeting of the motion put forward and the reason it was declined.

- 16.6 The agenda for the Annual General Meeting will be distributed to members at least two weeks before the Annual General Meeting. The agenda must include:
- a. Notice of all motions to be put forward at the meeting;
 - b. Either a copy of the Annual Report or instructions on how to receive it in electronic format; and
 - c. Either a copy of the Annual Financial Statement, or a summary of it with instructions on how to obtain the full Annual Financial Statement.

Special General Meetings

- 16.7 A Special General Meeting of ACE New Zealand may be called at any time:
- a. By resolution of the Board; or
 - b. At the written request of a Member and/or Honorary Member representing not less than 10 per cent of Members, and provided the request states the motion(s) to be moved at the meeting and the reasons for the motion(s).
- 16.8 If a Special General Meeting is requested, the following may apply:
- a. The meeting will normally be held within two months of the request, unless otherwise agreed between the Board and the Member(s) and/or Honorary Member(s) requesting the meeting.
 - b. If the Board is of the opinion that the motion(s) to be moved at the meeting have a significant impact on the membership, or a section of the membership, the Board may require an additional process of consultation with members prior to scheduling the Special General Meeting.

- 16.9 Notice of the time and place of a Special General Meeting, and the motion(s) to be moved, will be distributed to members at least two weeks before the meeting.

Additional provisions relating to general meetings

- 16.10 The President is the Chair of any General Meeting. Where the President is unavailable to attend a General Meeting, the Vice President will act as Chair.
- 16.11 The quorum for a General Meeting is 15 per cent of Eligible Voters.
- 16.12 Eligible Voters linked to a General Meeting meeting by teleconference or video are deemed to be present for the purposes of a quorum, voting, or for any other purpose required by these Rules.
- 16.13 If a quorum is not achieved, the General Meeting will be deferred to another date.
- 16.14 A resolution at a General Meeting will be passed where supported by the majority of Eligible Voters.
- 16.15 In the case of equal votes, the Chair has a second or casting vote.
- 16.16 In the case of any dispute respecting or arising out of matters of procedure and voting, the Chair's decision is final and binding.
- 16.17 Minutes will be kept of all General Meetings and made available to members.
- 16.18 In special circumstances the Board may, at its discretion, provide for written resolutions in lieu of a General Meeting on matters that are administrative in nature only.

17 Changing the Rules

- 17.1 Except as otherwise provided for in these Rules, Rules will only be made, amended, or rescinded by a resolution passed by no less than 75 per cent of Eligible Voters at a General Meeting.
- 17.2 Before a motion to make substantive changes to these Rules is put to a General Meeting, the Board will consider whether consultation with the membership is appropriate and undertake consultation to the extent the Board

considers reasonable. Substantive changes are changes that are more than minor or administrative, and are deemed to include any change to:

- a. The Purpose;
- b. Members' rights and obligations;
- c. The Board's composition, powers and tenure; and/or
- d. Member categories.

17.3 Notwithstanding Rules 17.1 and 17.2, the Board may resolve to amend the Rules where the amendment has no more than a minor effect or corrects errors or makes technical alterations only. Within seven days of making such an amendment, the Board must notify members of the amendment and provide members with 20 days to raise an objection to the amendment. Either:

- a. Where there are no objections to the amendment within 20 days, the amendment will be taken as approved and will come into effect; or
- b. Where an objection to the amendment is raised by a Member or Honorary Member, the Board will attempt to resolve the objection with the Member(s) and/or Honorary Member(s). Where the objection is unable to be resolved, the amendment will be put to a General Meeting for approval in accordance with Rule 17.1.

18 Regulations

18.1 The Board may make Regulations on any matters referred to in these Rules.

18.2 Regulations will only be made, amended, or rescinded by the assent of not less than two-thirds of the Board.

18.3 The requirements for consultation on a proposed Regulation are the same as the requirements for a proposed substantive change to these Rules, as set out in Rule 17.2.

18.4 Information regarding any Regulation(s) made, amended, or rescinded will promptly be communicated to members.

19 Distributions

19.1 The property and assets of ACE New Zealand will only be used to further the Purpose. Unless otherwise provided in these Rules, no portion of such property or assets, or profit or surplus, will be given to any ACE New Zealand member except when this arises in the ordinary course of business.

19.2 In the event of ACE New Zealand winding up, its property and assets will be gifted to a not-for-profit entity for the purpose of either:

- a. Advancing the practise of professional services consulting or scientific knowledge; and/or
- b. Promoting the welfare of professional services consultants; and/or
- c. For any other similar purpose as decided by the Board.

20 Common seal

20.1 Where required by law, ACE New Zealand will maintain a common seal that is kept by the Chief Executive at ACE New Zealand's registered office.

20.2 ACE New Zealand's common seal will only be used on resolution of the Board, and each impression of the seal must be attested to in writing by any two of the Chief Executive, President, and/or Vice President, or any other person appointed by the Board for that purpose.

Section Four – Regional Chairs and Groups

21 Regional chairs

- 21.1 The Board may create Regional Chair positions to represent ACE New Zealand in the regions and specify the geographic boundaries for each of those Regional Chair positions.
- 21.2 The role of a Regional Chair is to advance the Purpose of ACE New Zealand, including by:
- Building strong member, client, and stakeholder relationships in the region they represent,
 - Being the regional champion of ACE New Zealand's strategy,
 - Representing ACE New Zealand at regional meetings and events,
 - Being the connector for the ACE New Zealand community in their region, and
 - Providing the Board with intel on key challenges and opportunities facing members in the regions.
- 21.3 Regional Chairs are elected positions, with the elections running according to the same cycle, eligibility, and process requirements as Elected Board Members set out in Rules 12 and 13.
- 21.4 Regional Chairs are elected for a term of three years and are eligible for re-election for a maximum of two consecutive terms (or six consecutive years).
- 21.5 A Casual Vacancy in a Regional Chair has the same definition as for Board members in Rule 12.8 and are managed in the same way as a Board member Casual Vacancy as set out in Rules 12.9 and 12.10. A Regional Chair that has completed their length of service in accordance with Rule 21.4 may nonetheless be eligible for appointment to cover a Casual Vacancy.
- 21.6 Regional Chairs must carry out their role in accordance with any guidance, protocols, or budgets defined by the Board, and consistent with these Rules.
- 21.7 Each Regional Chair must report to the Board on their activities at least twice a year, and may at any time request the advice or support of the Chief Executive or Board on any matter related to their role under Rule 21.2.
- 21.8 A Regional Chair may be removed from their role where:
- They offer their resignation in writing to the Board before the end of their term; and/or
 - Their employing firm ceases to be a member of ACE New Zealand due to resignation or removal; and/or
 - They change employers and no longer work for a Member; and/or
 - They relocate out of the region they are the Regional Chair of; and/or
 - Following a fair process, they are found by the Board to not be fulfilling their role in a manner consistent with Rule 12.2, any guidance, protocols, or budgets defined by the Board, or the Purpose and strategic direction of ACE New Zealand.

22 Groups and forums

- 22.1 The Board may create groups for any reason related to the Purpose.
- 22.2 Where the Board establishes a group, the Board will specify the group's membership, functions and objectives, and may specify any guidance, protocols or budgets for the operation of the group.
- 22.3 Groups are subsidiaries of ACE New Zealand and have no independent legal or financial status. Groups are accountable to the Board for operating in accordance with their functions and objectives, and any guidance, protocols or budgets set by the Board.

22.4 No group may make a decision that will have significant impact outside of that group, except with the permission of the Board.

22.5 The Board may dissolve a group at any time, including where the group is:

- a. no longer needed, and/or
- b. no longer viable, and/or
- c. no longer operating in accordance with the functions and objectives of the group, or any guidance, protocols or budgets set by the Board.

Schedule One – Member Representation

For the purposes of these Rules, the size of a Firm is determined by the number of people employed by the Firm in Aotearoa, including by its subsidiaries. This includes permanent staff (including New Zealand staff based temporarily overseas), contract, and part-time staff (full time equivalent), as measured by the Personnel Survey conducted by ACE New Zealand each year.

The number of Representatives for each Member is determined according to the size of the Firm and using a multiplier as set by the Board for the purposes of calculating the Annual Membership Fee. The following table sets out the expected number of Representatives for Member size.

Firm Size	Number of Representatives	Firm Size	Number of Representatives
1-2	1	215-234	21
3-6	2	235-254	22
7-11	3	255-274	23
12-18	4	275-294	24
19-26	5	295-314	25
27-35	6	315-334	26
36-43	7	225-354	27
44-51	8	355-374	28
52-59	9	375-394	29
60-69	10	395-414	30
70-79	11	415-494	31-34
80-89	12	495-609	35-37
90-99	13	610-689	38-39
100-109	14	690-807	40-42
110-126	15	808-929	43-45
127-139	16	930-1015	46-47
140-154	17	1016-1216	48-50
155-174	18	1217-1483	51-55
175-194	19	1484-1874	56-58
195-214	20	1875-2474	59-64