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Appointment and Remuneration of Board Members of:

- **Council Organisations (COs)**
- **Council Controlled Organisations (CCOs)**
- **Council Controlled Trading Organisations (CCTOs)**

Purpose and Scope

1. This Policy is required by Section 57 of the Local Government Act 2002 (LGA). This Policy assists Hamilton City Council implement satisfactory governance over Council Controlled Organisations. This Policy applies to all CCOs, Cos and CCTOs (all referred to as CO's in this Policy document) as defined in Section 6 of the LGA. Hamilton City Councils current CCO and Cos are listed in Schedule 1.

Definitions

Definition	Detail
CO	A CO is an organisation in which Council has a voting interest and/or the right to appoint a director, trustee or manager.
CCO	A CCO is CO in which one or more local authorities control, directly or indirectly, 50 percent or more of the voting rights and/or have the right, directly or indirectly, to appoint 50 percent or more of the directors, trustees or managers.
CCTO	A CO which operates a trading undertaking for which making a profit is one of its purposes.

Principles

2. Hamilton City Council must be transparent and objective in its appointment of competent and professional individuals to the governance bodies of HCC's COs.
3. Hamilton City Council should appoint independent directors. Elected Members and/or HCC officers should only be appointed in exceptional circumstances.

Policy Guidelines

Appointments and Performance Management

4. Appointees should have the appropriate balance of skills, knowledge, integrity and governance experience.
5. All positions require a formal position description which all appointees must formally acknowledge and accept.

6. An annual review of appointees' delivery against the position description should be undertaken by the Finance Committee in conjunction with the respective CO's Chair.
7. No more than two Elected Members may be appointed to any particular CO.
8. Except under exceptional circumstances, Elected Members may not hold the position of Chair.

Tenure and remuneration

9. All Hamilton City Council appointments to the boards of COs are at the Finance Committee's discretion.
10. It is expected that, other than in exceptional circumstances, appointments are for two full and consecutive terms. A former appointee becomes eligible again after at least one full-term absence.
11. Remuneration of appointees is a matter of public interest and will be approved by resolution at the CO's Annual General Meeting.
12. Unless otherwise determined, Elected Members and Hamilton City Council officers appointed to the board of a CO shall not be entitled to any remuneration.

Appointment Process

13. As per its delegated authority, the Finance Committee, will approve all Hamilton City Council appointees.
14. For each appointee the Finance Committee shall:
 - a. Confirm the formal position description.
 - b. Instruct Hamilton City Council officers to compile a shortlist of candidates. This may involve collaboration with other stakeholders of the relevant CO.
 - c. Determine, in a public excluded meeting, the appointee most suitable for the position.
 - d. Gain acceptance of the appointment from the successful candidate.
 - e. Make a public announcement of the successful appointee as soon as is practical.

Conflicts of Interest

15. Hamilton City Council expects that, in line with good governance practice, all appointees will avoid actions which could give rise to a conflict of interest. This includes, but is not limited to, the offering of gifts, hospitality, travel, entertainment. Appointees should follow the provisions of the New Zealand Institute of Directors' Code of Ethics.

Monitoring and Implementation

16. This Policy will be activated and monitored by the Finance Committee which, as per its terms of reference, has the power to approve the appointment and remuneration of directors to the boards of the COs.
17. Hamilton City Council officers will advise the COs as to HCC's strategic direction, requirements of Statements of Intent and other relevant matters on behalf of the Finance Committee.
18. The Policy will be reviewed:
 - a. every three years or
 - b. at the request of HCC or
 - c. in response to changed legislation and statutory requirements.

Schedule 1

At the time of writing the entities subject to this Policy are:

CCO's

- Waikato Local Authority Shared Services Ltd (WLASS).
- New Zealand Local Government Funding Agency Ltd (NZLGFA).
- Waikato Innovation Growth Ltd (WIGL) and its subsidiary New Zealand Food Innovation Waikato Ltd (NZFIW) and its subsidiary New Zealand Food Innovation Waikato D2 Ltd (NZFIW D2).
- Waikato Regional Airport Ltd (WRAL) and its subsidiaries Hamilton and Waikato Tourism Limited, Titanium Park Limited and Waikato Regional Airport Hotel Limited.

CO's

- Civic Financial Services Ltd.
- Melody Dairies Limited Partnership – a subsidiary of NZFIW D2.
- Melody Dairies GP Limited – a subsidiary of NZFIW D2.