



Te Tēnehi o Aotearoa

TENNIS NEW ZEALAND

Board Chief Executive Interrelationship

GOVERNANCE POLICY Nr 3

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This policy forms part of Tennis New Zealand's governance framework.

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3. Board Chief Executive Interrelationship

3.1 Delegation to the Chief Executive

The Tennis NZ Board (board) delegates to the Chief Executive responsibility for delivering the outcomes stated in its Strategic Plan and Annual Business Plan while complying with the Chief Executive Delegation policies

- (1) The Chief Executive is the sole linkage and point of accountability between the board and the operational organisation.
- (2) The board will view Chief Executive performance as identical to total management performance so that the achievement of successful organisation outcomes will be regarded as successful Chief Executive performance.
- (3) Only the board acting as a body can instruct the Chief Executive. Typically, all instruction to the Chief Executive will be codified as policy.
- (4) The board will make clear Tennis NZ's strategic direction including performance indicators to be applied by the board when reviewing the organisation's and the Chief Executive's performance.
- (5) The board will make clear to the Chief Executive in writing the conditions and circumstances that the board deems to be unacceptable, allowing the Chief Executive any reasonable interpretation of these (further defined in the Chief Executive Authority – 3.2). As the board's principal officer, the board holds the Chief Executive accountable for ensuring that all such conditions and circumstances are avoided.
- (6) The Chief Executive is responsible for the employment, management and performance management of all staff employed/contracted to the organisation. Neither the board nor individual Board Members will 'instruct' staff in any matters relating to their work.
- (7) Provided that the Chief Executive achieves the outcomes sought by the board and does so in a manner consistent with the board's policies and Tennis NZ's values, the board will respect and support the Chief Executive's choice of actions.
- (8) The CEO will provide a timely and relevant information flow and reporting to the Board, ensuring there are "no surprises." In particular, any operational decisions that could be reasonably expected to carry significant reputational risk for Tennis NZ, or substantive concern for Tennis NZ's members should be signalled to the Board Chair ahead of release to stakeholders. The Board Chair should be made aware of any media enquiry or publication that includes significant reputational risk for Tennis NZ.
- (9) The expert knowledge and experience of individual Board Members is available to the Chief Executive at his/her initiative

3.2 Chief Executive Authority

- (1) As long as the Chief Executive applies ‘any reasonable interpretation’ of the board’s policies, i.e., does not set out to defeat their stated intent or spirit, they are authorised to establish all operational policies, make all operational decisions and design and implement and manage all operational practices and activities.
- (2) Acknowledging a Board Member’s right to have access to information necessary to meet their duty of care to the organisation, the Chief Executive may refuse instructions or requests from individual Board Members or from unofficial groups of Board Members if, in their opinion, such requests or instructions are:
 - (a) Inconsistent with the board’s policies.
 - (b) Are deemed to make unjustifiable intrusions into the Chief Executive’s or other staff members’ time; or
 - (c) Are an unjustifiable cost to the organisation.
- (3) The Chief Executive must notify the Chairperson of the use of point 2.

3.3 Chief Executive Remuneration

The Chief Executive’s performance will be regularly, systematically and rigorously assessed by the board against achievement of the board-determined strategic outcomes, annual business plan and compliance with Chief Executive Delegation policies. The board will provide regular performance feedback to the Chief Executive

- (1) Remuneration will be competitive with similar performance within the marketplace based on achievement of the board’s strategic direction and strategic goals while complying with the Chief Executive Delegation Policies.
- (2) Remuneration may include an agreed “at risk” component if the board consider it appropriate.
- (3) A committee process may be used to gather information and to provide options and recommendations for the board for its consideration and decision.

3.4 Chief Executive Performance Assessment

The Chief Executive’s performance will be regularly, systematically and rigorously assessed by the board against achievement of the board-determined strategic outcomes, annual business plan and compliance with Chief Executive Delegation policies. The board will provide regular performance feedback to the Chief Executive.

- (1) Organisation performance will be reviewed in terms of Tennis NZ’s governance policy criteria, strategic framework and annual business plan as identified through monitoring of these criteria.
- (2) The standard applied to all facets of the performance assessment shall be that the Chief Executive has met or can demonstrate compliance with the intent or spirit of the board’s governance policies, strategic priorities and business plan.

- (3) The board shall monitor any policy at any time using any method but will normally base its monitoring on a predetermined schedule outlining the regularity and method of monitoring for each governance policy, strategic priorities and business plan objectives.
- (4) The board shall use any one or more of the following three methods to gather information necessary to ensure Chief Executive compliance with board governance policies, strategic priorities and business plan objectives and thus to determine its satisfaction with that person's performance:
 - (a) Chief Executive reporting,
 - (b) Advice from a relevant independent third party, or
 - (c) Obtained by a board-appointed director, board committee or working party.
- (5) The Chief Executive's performance will be formally reviewed at least twice annually.
 - A. The Chief Executive will prepare a written summary of their evidence-based achievement against each agreed objective in their annual performance agreement and table this with the Board sub-committee and in turn the full Board.
 - B. The Board confidentially (i.e., without the Chief Executive) will review this summary, agree their position, being objective and evidence based.
 - C. If the Chief Executive's remuneration includes an 'at risk' component, the Board will agree how performance will impact "at risk" pay.
 - D. The Chair (and possibly one other board member) will feed the Board's collective view back to the Chief Executive in a one-on-one session and provide clear feedback on any areas requiring improvement, increased attention etc.
- (6) The Performance review may be undertaken separately from the annual remuneration review.