

BOARD GOVERNING POLICY

Created and implemented by the 2009-2011 Board, this document supplements the WDO Constitution and By-laws and further governs the operations of the Board to ensure the consistent and transparent management of the organization from term to term. The Board may amend, expand or modify this document by majority vote on an on-going basis as required.

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1. INTRODUCTION

1.1 WDO Vision

WDO strives to create a world where design enhances our economic, social, cultural, and environmental quality of life.

1.2 WDO Mission

As the international voice for industrial design, we advocate, promote, and share knowledge of industrial design driven innovation that has the power to create a better world.

We do this by engaging our community in collaborative efforts and by carrying out our international programming—World Design Capital®, World Design Talks™, World Design Impact Prize™, World Industrial Design Day™, and Interdesign™.

1.3 Core Values of the Board of Directors

The Board is guided by the following core values, which influence both individual and collective conduct:

- We conduct ourselves ethically and with integrity
- We show respect for others in our words and actions
- We act in the spirit of a global community and cooperation
- We respect the diversity of human beings in their social, ethnic, and cultural differences
- We respect the natural environment

We strive to have our actions reflect and be accountable to these values.

1.4 Terms of Reference

1.4.1 Authority

- a) The authority of the Board is outlined in the WDO Constitution and By-laws.
- b) Individual Board members have no authority to act independently or to act as spokespersons for the organization unless specifically authorized by the Board. When Board members, or appointed representatives, act as official representatives for the organization, they must uphold its vision, mission and core values.

1.4.2 Accountability

- a) The Board members are collectively responsible for the organization's performance in respect to the vision, mission and the stewardship of membership, financial resources and legal obligations.
- b) The organization's stakeholders include members, sponsors and partners, and the world design community.

2. MANAGEMENT STRUCTURE

2.1 Board of Directors

The Board is responsible for the effective governance of the organization, including the pursuit of its vision and mission, and adherence to its core values. The Board sets a clear direction for the organization and achieves the best possible results with the resources available.

2.1.1 General Tasks

- a) Each Board member is expected to do the following:
 - i. Provide leadership and direction to the strategic planning process for the term
 - ii. Ensure that the organization communicates regularly and transparently with its stakeholders
 - iii. Review, clarify and amend the vision and mission of the organization as required
 - iv. Develop, amend and approve by-laws and governing policies outlining key financial and Board practices
 - v. Participate in recruitment, evaluation and termination of the Managing Director position by approving or rejecting the recommendations of the Executive Committee
 - vi. Keep informed about issues relevant to the organization, including financial management, governance and programming
 - vii. Participate in the recruitment of new Board members and committee members
 - viii. Develop and approve the biennial strategic plan and annual budget
 - ix. Contribute to the achievement of agreed strategic goals, including regional development, membership development and partnership development and secure community support
 - x. Provide continuity for managing and implementing WDO's work
 - xi. Set the rate of progress in order to accomplish the mission and vision
 - xii. Provide authority to the Executive Committee to support the Managing Director on all critical management and financial issues
 - xiii. Follow constitutional guidelines for the General Assembly and propose updates and improvements
 - xiv. Be familiar with the President's role and leadership
 - xv. Approve Executive Committee recommendations and signing authority
- b) Neither the President, President-Elect, Treasurer, nor any other Board member shall receive financial compensation for their participation in the Board or in official organization-led projects.

2.1.2 General Responsibilities

- a) Exercise vigilance and prudence
- b) Act in good faith in accordance with the core values
- c) Avoid all potential conflicts of interest and perception thereof
- d) Act always in an ethical and transparent manner
- e) Always be accountable to the vision and mission of the organization

Furthermore, Board members are expected to:

- f) Arrive prepared for meetings by reviewing all briefing materials
- g) Be familiar with the constitution, by-laws, policies and procedures, strategic plan, initiatives and history of the organization
- h) Attend all meetings, participating in all teleconferences and reviewing and responding to all official emails
- i) Support Board decisions once they have been voted on and keep Board discussions confidential

- j) Consult the Secretariat team prior to accepting invitations on behalf of WDO to attend events
- k) Decline consulting services to WDO projects and bids from external parties to WDO as it is a conflict of interest
- l) Act in the best interest of the organization

2.1.3 Principals of Governance

- a) Ability to articulate and communicate the vision and mission of WDO
- b) Focus on the term's strategic plan and direction
- c) Focus on WDO rather than issues of interest to Board members
- d) Be powerful in working together – speaking with one voice
- e) Direct WDO's work by approving policy and monitoring its impact
- f) Practice self-governance as a Board and declare conflict of interest prior to discussing agenda items

2.1.4 Code of Conduct

- a) Board members are committed to ethical, cooperative, and lawful conduct, including proper use of authority when acting as Board members.
- b) Board members will disclose any external Board membership or leadership positions and projects and consulting assignments with other organizations and councils annually. If a Board member has an unavoidable conflict of interest with an issue before the Board, that member shall declare the conflict of interest and absent him or herself without comment from not only the vote but also from the deliberation of that issue.
- c) Board members are expected to take reasonable steps to avoid conflict of interest with respect to their Board responsibility.
- d) Board members shall not use their positions to obtain employment within the organization for themselves, family members or associates. Should a Board member desire employment within the organization, he or she must first resign from the Board.
- e) Board members will respect all matters of the Board in a sensitive manner. The Board may further designate specific issues as confidential.

2.1.5 Accountability

The Board is responsible for both informing and listening to its stakeholders. There are many options available through which the Board can exercise this responsibility, such as:

- projects and initiatives
- portfolio projects
- website content and development
- consultation meetings
- membership surveys
- special reports to members
- general assembly agenda
- Board's term report
- financial audit or review engagement

2.1.6 Other Responsibilities

2.1.6.1 Annual agenda planning

The Board is committed to responsible planning. The Board will endeavour to create and adhere to an annual agenda planning process. The Board's annual agenda will include key events such as the business plan review and quarterly strategic reports. The Board will collaborate closely with the Managing Director in implementing the plan.

2.1.6.2 Succession planning

- a) In order to ensure change in Board membership is not disruptive to the governance of the organization, the Board will plan for an orderly and timely succession of membership for retiring Board members.
- b) The Board will develop a Board nominations procedure that includes, but is not limited to:
 - i. Assessing which Board members are retiring in any given term at least six months prior to the organization's general assembly
 - ii. Developing Board recruitment criteria, including number of members sought, knowledge base and skill set required
 - iii. Ensuring Board nominees are provided with information regarding the Board and organization prior to the general assembly

2.1.6.3 Self-evaluation

The Board shall periodically review its own progress on work plan objectives and its effectiveness. It shall conduct a formal assessment of its own performance and the performance of the services of the Managing Director and shall take any steps for improvement in its governance practices suggested by such review.

2.2 President

The President aims to ensure the Board maintains the integrity of the Board's process.

2.2.1 Responsibilities

- a) Provide visionary leadership by developing a clearly defined short-term (two-year) strategy containing aims, objectives, proposed projects and a framework in collaboration with the Board on behalf of the organization, which can be evaluated at the end of a term at a general assembly.
- b) Be informed and oversee the activities of the Managing Director, Board committees without prejudice or interference in the smooth running of the Secretariat's operations.
- c) Be informed about all WDO activities and steer policy according to the agreed short-term strategy, constitutional requirements and general assembly directives.
- d) Direct the Board to behave consistently within its own rules and those legitimately imposed upon it from outside the organization.
- e) Chair board meetings, with all the commonly accepted authority of that position.
- f) Represent the Board to outside parties in announcing Board-stated positions.
- g) Accept executive responsibility for all and any actions, projects and initiatives initiated or engaged by WDO, and act as the official spokesperson on behalf of its membership.
- h) Officiate any official contractual agreement that WDO wishes to engage in on behalf of its membership and in consent of the Board, after thorough review in collaboration with the Treasurer, President-elect and the Managing Director.
- i) Submit a report on activities for publication in the report to the general assembly.

2.3 President-elect

In addition to assuming the duties of the President during his or her absence, the President-elect shall perform other duties prescribed from time to time by the Board, coincident to the office.

2.3.1 Responsibilities

- a) Serve as a member of the Executive Committee.
- b) Support the strategic priorities for the term.
- c) Submit a report on activities for publication in the report to the general assembly.
- d) Represent the President when he or she is not available.

2.4 Treasurer

The Treasurer provides guidance to the Managing Director on financial management.

2.4.1 Responsibilities

- a) Financial policies – oversee the development of financial policies and procedures and their review by the Board.
- b) Funds and investments – ensure that funds are retained in safe accounts/ investments.
- c) Financial transactions – verify that restricted funds, partnerships and grants are handled appropriately.
- d) Financial records – ensure that complete and accurate records are kept of all of the organization's financial matters in accordance with generally accepted accounting practices.
- e) Budgeting – assist the Managing Director in the preparation of the annual budget and its presentation to the Board for review; monitor results and alert the Board to any important issues; discuss with the Managing Director and the external auditor any potential problems or deficiencies.
- f) Reports – oversee the development of quarterly financial statements and present these to the Board in collaboration with the Managing Director; ensure that an independent review engagement of the organization's finances takes place and assist with the development and presentation of the annual report to the Board and the general assembly; inform the Board of important financial events, trends, issues.
- g) Remittances and filings – ensure that government tax filings and remittances are submitted on a timely basis.

2.5 Managing Director

The Board provides authority for management of the strategic direction to the Managing Director, who shall administer the affairs or otherwise serve the organization in accordance with the directives of the Board.

2.5.1 Responsibilities

- a) The Managing Director is a non-voting participant in the Board who possesses the expertise required to manage an international non-profit organization, develops policies and procedures, and supports the direction of the organization.
- b) The Managing Director shall ensure that all legally required administrative functions are performed for the Board and that records are kept of all proceedings and transactions. The Managing Director is the custodian of the corporate seal, by-laws and of all official books, papers, records, documents and correspondence of the Board.

- c) The Managing Director manages the operations and engages additional professionals to achieve objectives established by the Board.
- d) The Managing Director is the chief representative on all operations matters including contract compliance, legal and financial matters.

2.5.2 Accountability

- a) The Managing Director is empowered by the Board with the authority to manage the achievement of its objectives. The Managing Director works closely with the Board and primarily reports to the Board through the President.
- b) The Managing Director shall submit operations reports to the Board prepared in collaboration with the Secretariat team.
- c) The Managing Director shall take all reasonable steps to ensure the President and Board are advised of relevant trends, anticipated media coverage, significant external and internal changes, which may impact upon the Board's planning or reputation of the organization.

2.6 Committees

2.6.1 Executive Management Committee

- a) The President, President-Elect, Treasurer and the Managing Director form the Executive Committee, which monitors and supports all management issues.
- b) This committee oversees the financial management of the organization, including the annual audit or review engagement.
- c) This committee oversees the development and revisions of an WDO Intellectual Property Policy.
- d) The three Board members on this committee also manage the recruitment, renewal, evaluation, succession planning and termination of the Managing Director position.

2.6.2 Other Committees

- a) Committees may be used for monitoring or auditing the performance of the Board and the organization. Board members may volunteer for committee tasks in their area of expertise.
- b) There shall be a minimum of one Board member on all other committees accountable to the Board.

3. BOARD RESIGNATIONS/RISK MANAGEMENT

The resignation of a Board member or multiple Board members for personal or professional reasons diverts management and Board members' attention away from WDO's mission and objectives. It is therefore necessary that the following resignation protocols are implemented to protect and safeguard WDO and its organization. All resignations will be announced to the Board and subsequently to the general assembly as an agenda item. It is the Managing Director's responsibility in every case to accurately record the reason for resignations in the Board minutes and support the Board to continue its work.

3.1 Resignation of a Board Member

- a) A resigning Board member is to contact the President, the President-elect and the Managing Director upon his or her decision to resign. The Board member is required to provide their resignation in writing.
- b) The President, President-elect and the Managing Director are to be available to meet with the Board member and accept his or her letter of resignation. The announcement of the Board member's resignation will not be disclosed until the President, President-elect and the Managing Director have had a discussion with the Board member and understand the reasons for the resignation.

3.2 Resignation of the Managing Director

A resigning Managing Director is to be in contact with the President and the President-Elect upon his or her decision to resign. The detailed resignation protocol for the Managing Director is outlined in his or her WDO contract.

3.2.1 Emergency succession of Managing Director

In order to protect the Board from sudden loss of the Managing Director services, the Managing Director shall not fail to ensure that a list of essential knowledge – such as computer passwords, pending issues, file locations and other essential functions – will be available to Board and staff.

3.3 Multiple Board Members' Resignations

If at any time the majority of the Board resigns prior to a general assembly, the Managing Director is required to work with the remaining Board members to manage the situation according to the constitution and by-laws while maintaining WDO's profile. If the resignations are due to a breakdown of confidence among the Board members, which has proved impossible to resolve, the Managing Director will consult the convenor of the senate; a senator will be appointed as the interim Chair by the active senators by a simple majority vote. The interim Chair of the Board will advise the Managing Director and guide the process to an election.

3.4 Resignation of the President, the President-Elect and Board Members

- a) If the President resigns prior to the end of the term, the President-Elect will assume the position of President for the remainder of the term and continue as President the following term. If the President and the President-Elect resign, the remaining Board members will elect a President by simple majority from the present Board. The President for the following term will be elected at the general assembly.
- b) If the President and the President-Elect resign with a majority of Board members, the Managing Director is required to work with the remaining Board members to manage the situation according to the constitution and by-laws while maintaining WDO's profile.

A senator will be appointed as the interim Chair by a simple majority vote by the remaining Board members. The remaining Board members will govern the organization with the vacant Board positions remaining vacant. If quorum is not met, voting will not proceed.

The interim Chair will then advise the Managing Director and guide the process to an election.

3.4.1 Power of Interim Chair and Board

- a) The interim Chair and the remaining Board members, without an elected majority, will not have the authority to make decisions on any financial matters including making changes to the approved annual budget.
- b) The financial matters at hand will be brought forward to the Board meeting following the general assembly when a full Board is reinstated.

3.5 Confidentiality

Resignations must be managed in consultation with the Executive Committee in a confidential manner prior to being disseminated to the membership via the Board meeting minutes. The Executive Committee is required to be accessible to the Board member(s) when they are considering resigning. The Executive Committee is required to respect the privacy of the Board member(s) who asks for advice. Any disclosure should not be relayed in any manner that would undermine the members or organizations concerned.

4. MANAGEMENT RELATIONS

4.1 Managing Director

4.1.1 Delegation of Tasks

- a) The Board's sole official connection to the operations of the organization will be through the Managing Director.
- b) Only decisions of the Board acting as a body are binding on the operations.
- c) Directions from individual Board members, officers or committees are binding on the Managing Director except in instances when the Board has specifically authorized such exercise of authority.
- d) In the case of Board members or committees requesting information or assistance without Board authorization, the Managing Director can refuse such requests that require, in his or her opinion, a material amount of time or funds, or are disruptive.
- e) The Managing Director can appoint Secretariat team members to participate on a Board committee.

4.1.2 Job Expectations

The Managing Director is accountable for:

- a) Accomplishment of organizational mission, objectives and strategic results, as agreed in the contract of services of the Managing Director. This contract will act as the framework for performance review purposes.
- b) Preparing a strategic plan for the term for board approval, which will become part of the annual performance review framework.
- c) Adherence to Board policy.
- d) Ensuring that the Board and membership is well informed on issues affecting the relevance of the mission and the performance and reputation of the organization.
- e) Financial management responsibilities, including revenue generation and budget forecasting.
- f) Recruiting, appointing, orientation and day-to-day management of all staff, as well as conducting staff performance evaluations and development reviews, disciplinary hearings, and extension and annulment of employment contracts based on performance when required.
- g) Proactively managing organizational needs and advising the Board on developments that might improve operational and organizational objectives.

4.2 Secretariat Team

- a) Under the direction of the Managing Director, the Secretariat team is responsible for implementing the initiatives and programmes of the organization as described in the term's strategic plan.

- b) The work of the Board will be transparent to the Secretariat team. In this regard, the Managing Director shall ensure that:
 - i. All Board minutes and action items are shared and posted in a central area for easy Secretariat team access
 - ii. The strategic plans and team priorities are discussed with the Secretariat team and available in a central area for easy access

5. OPERATIONS

5.1 Occupational Health & Safety

The Secretariat office shall meet or exceed all health and safety standards set by the occupational health and safety legislation in the country within which it operates. It is the responsibility of the Managing Director to ensure the organization's compliance with this legislation.

5.2 Budgeting

- a) The Managing Director shall not allow a budgeting process that contains too little information to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow, and relationship of financial performance to organizational performance.
- b) In the creation of the annual budget, there shall be no deficit budgeting without Board approval.
- c) The budgeting process shall attempt to diversify the funding sources for the organization.

5.3 Financial Management

- a) All debts, payables and employee obligations must be consistent within the framework of the budget.
- b) Board approval is required prior to any unbudgeted capital expenditures.
- c) All employee obligations and other liabilities will be settled in a timely manner.
- d) The Managing Director shall not make any purchase (1) wherein normally prudent protection has not been given against conflict of interest; (2) of over EUR 10,000 without having obtained comparative prices and quality.
- e) The Managing Director may not enter into any agreement for funding support that does not fall within the organization's mandate.
- f) The Managing Director may not use any reserve funds without prior Board approval.
- g) Funds designated for specific purposes such as prorated funds, may not be used for any other reason.

5.4 Financial Reporting

- a) The Managing Director shall ensure pre-circulation of financial statements to Board members in advance of board meetings.
- b) The Managing Director shall ensure the external financial auditor has access to all required and requested financial information during the annual review engagement or auditing process.

5.5 Asset Protection

- a) The organization shall carry sufficient insurance to insure against loss, theft or damage of the organization's property for full replacement value.
- b) The Managing Director shall not receive, process, or disburse funds under controls that are insufficient to meet the Board-appointed auditor's standards.
- c) Investment of the organization's reserve funds shall be limited to non-risk investments.
- d) The Managing Director shall ensure the safety of all organizational files and irreplaceable assets of the organization, including back-up of electronic files.
- e) The Managing Director shall ensure the Secretariat office meet or exceed all safety and building standards.

5.6 Human Resources

With respect to the treatment of paid and volunteer human resources, the Managing Director shall:

- a) Operate with written personnel policies that meet provincial and federal legislation relating to human resource management.
- b) Ensure all employees are adequately trained to meet job requirements.
- c) Ensure all employees and volunteers have easy access to Board approved minutes and strategic or business plans.
- d) Encourage all employees to participate in the Board's annual orientation and the general assembly.

5.7 Member and Participant Services

With respect to interactions with members or those applying to be members, the Managing Director shall follow the constitution and not allow conditions, or procedures that are unsafe, unnecessarily intrusive, or that fail to provide appropriate confidentiality or privacy.

5.8 Volunteer Management

With respect to volunteer management, the Managing Director shall ensure that:

- a) The Board acknowledges and supports the vital role of volunteers in achieving the organization's purpose or mission.
- b) Policies and procedures are adopted by the organization to provide a framework that defines and supports the involvement of volunteers.
- c) A clearly communicated screening process is consistently applied.
- d) Volunteer recruitment and selection reaches out to diverse sources of volunteers.
- e) Volunteers receive an orientation to the organization, relevant policies and procedures, and receive training for their volunteer assignment.
- f) Volunteers receive appropriate levels of supervision according to their task and are given regular opportunities to receive and give feedback.
- g) Volunteers are welcomed and treated as valuable and integral members of the organization's human resources.
- h) The contributions of volunteers are regularly acknowledged with formal and informal recognition methods.

5.9 Operational Committees

- a) Operational committees can be formed by the Board and the Managing Director.
- b) The Managing Director may authorize other Secretariat team member to create operational committees.
- c) Operational committees report to the Secretariat team member in charge and are accountable to this person.
- d) The Board can limit or outline the types of operational committees the Secretariat team may develop.
- e) All operational committees should be provided with basic terms of reference.

5.10 Programme Evaluation

The Managing Director shall ensure all programmes, services and initiatives are evaluated regularly to determine the level of effectiveness in achieving stated goals or objectives.

5.11 Organizational Evaluation

- a) The Board shall provide leadership in the continuous process of planning and evaluation.
- b) The Board shall require regular reports and information to assess:
 - i. Programme effectiveness and its relation to advancing organizational goals and mission
 - ii. Adherence to organizational values and policies
 - iii. Achievement of strategic directions

5.12 Partnerships

- a) The Board will provide active leadership in generating revenues to ensure the long-term capacity of the organization to achieve its goals and mission. In doing so, the Board will communicate all of its plans for partnership initiatives to the Managing Director to ensure optimal timing with management-led partnership initiatives.
- b) Management-led partnership initiatives will be communicated to the Board for collaboration and support.