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# The Code of Ethics

of the New Zealand Wind Energy Association;  
and its associated Disciplinary Procedures.

Tuesday 22 February 2005

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## 1 Preamble

The Rules of the New Zealand Wind Energy Association (NZWEA) refer to the standards of professional conduct expected from members of NZWEA (Paragraph 4.7 d).

The following Code of Ethics and the associated Disciplinary Procedures, provide additional clarification to;

- members as to what constitutes “*discreditable conduct or conduct prejudicial to the interests of the Association*” and;
- the Board of NZWEA as to the appropriate action to take in the event that any member is “*guilty of discreditable conduct or conduct prejudicial to the interests of the Association.*”

## 2 The Code of Ethics

### 2.1 General requirements

Members of the New Zealand Wind Energy Association (NZWEA) (*Members*) shall, as a condition of on-going membership;

- 1) Act with integrity, competence and in an ethical manner when dealing with the public, clients, prospective clients (*prospects*) and fellow Members.
- 2) Practice and encourage others to practice in a professional and ethical manner that will reflect credit on the New Zealand Wind Industry and its participants.

### 2.2 Fundamental Responsibilities

Members shall:

- (A) Maintain knowledge of and comply with all applicable laws, rules and regulations (including NZWEA’s Code of Ethics) of any government, government agency, regulatory organization, licensing agency or professional associations governing the Member’s professional activity.
- (B) Not knowingly participate in any violation of such laws, rules or regulations.

### 2.3 Relationships with and Responsibilities to the Wind Energy Industry

#### 2.3.1 Use of Professional Designation

- (A) Membership of the New Zealand Wind Energy Association may be referenced by Members only in a dignified and judicious manner. The use of the reference may be accompanied by an accurate explanation of the role that Member has in NZWEA, the functions the Member is involved in as a result and the various activities undertaken by NZWEA.
- (B) Members may use the NZWEA letters and the NZWEA logotype and are encouraged to do so but only in a dignified

and judicious manner. The use of the NZWEA initials and the logotype may be accompanied by an accurate explanation of the requirements which are a pre-requisite of membership.

### **2.3.2 Professional Misconduct**

Members shall not engage in any professional conduct involving dishonesty, deceit or misrepresentation or commit any act that reflects adversely on their or NZWEA's, honesty, trustworthiness or professional competence.

## **2.4 Clients and Prospects**

### **2.4.1 Reasonable Basis and Representation**

Members shall;

- a. Exercise diligence and thoroughness in making recommendations and taking management actions.
- b. Have a reasonable and adequate basis, supported by appropriate research and investigation, for such recommendations or actions. During this process Members must distinguish between fact and opinion.
- c. Make reasonable and diligent efforts to avoid any material misrepresentation.
- d. Maintain appropriate records to support the reasonableness of such decisions or actions.

### **2.4.2 Independence and Objectivity.**

Members shall use reasonable care and judgement to achieve and maintain independence and objectivity in making executive decisions or taking management actions.

### **2.4.3 Fair dealing.**

Members shall deal fairly and objectively with all clients and prospects when making recommendations, disseminating material changes in prior recommendations or when taking any executive decisions.

### **2.4.4 Preservation of Confidentiality.**

Members shall preserve the confidentiality of information communicated to them by clients or prospects concerning matters within the scope of the client-member, prospect-member relationship unless the member receives information concerning illegal activities on the part of the client or prospect.

### **2.4.5 Prohibition against Misrepresentation.**

Members shall not make any statements, orally or in writing, that misrepresent;

- a) the experience that they or their firm, has already gained

- b) the performance that they, or their firm, has already achieved.
- c) the services that they or their firms are capable of performing
- d) the services that they or their firms are intending to perform
- e) the Member's or their firm's, academic or professional qualifications

#### **2.4.6 Disclosure of Conflicts to Clients and Prospects.**

Members shall disclose to their clients and prospects all matters, including beneficial ownership of securities or other investments, that reasonably could be expected to impair the Member's ability to make unbiased and objective recommendations and to take executive decisions.

#### **2.4.7 Disclosure of Referral Fees.**

Members shall disclose to clients and prospects any consideration or benefit received by the member or delivered to others for the recommendation of any services to the client or prospect.

### **2.5 Performance Presentation**

Members shall not make any statements, orally or in writing, that misrepresent the performance that they or their firms have accomplished or can reasonably be expected to accomplish.

## **3 Disciplinary Procedures**

### **3.1 Preamble**

Members, as defined in the **Code of Ethics** are required to conduct their activities in accordance with the Code of Ethics.

The remainder of this document outlines the procedures to which NZWEA, its Members and any persons instigating a complaint, must adhere when a professional conduct matter is being investigated.

### **3.2 Grounds for Discipline**

Disciplinary action may be imposed upon a Member, or Member Company (hereafter '*Covered Person*') for;

- *Violation of NZWEA's Code of Ethics*
- *Failure by the Covered Person to co-operate with NZWEA in its enquiry and investigation of the Covered Person's professional conduct.*

### **3.3 Initiation of Disciplinary Proceedings**

Disciplinary procedures against a Covered Person may be initiated by;

- *A Member of the New Zealand Wind Energy Association (NZWEA)*
- *A New Zealand registered Company*

- *An official representative of the Government*
- *A member of the General Public or other interested party.*

The entity (hereafter '*The Complainant*') initiating a Disciplinary Procedure against a Covered Person should do so by informing the Chief Executive of NZWEA (hereafter '*The CEO*') in writing.

### **3.4 Complainant**

Any Complainant, wishing to lodge a formal complaint about the professional conduct of a Covered Person, is requested to furnish the CEO with the following;

- a) *A statement of the circumstances underlying the complaint*
- b) *Copies of any supporting documentation that the Complainant believes will assist the CEO in determining whether the Covered Person has failed to comply with the Code of Ethics.*

The identity of the Complainant will be made known to the Covered Person, who is the subject of the complaint, unless the Complainant specifically requests, in writing to the CEO, that the source of the complaint remains anonymous. If anonymity is requested, the CEO and other individuals involved in the investigation will make every reasonable effort to safeguard the identity of the Complainant.

Nonetheless the Complainant is advised that efforts to protect the anonymity of the Complainant may seriously hamper NZWEA's ability to investigate a given complaint including NZWEA's ability to establish that a violation has occurred.

### **3.5 Notice of Inquiry**

As soon as practically possible following receipt of a written complaint the CEO will furnish the Covered Person with a 'Notice of Inquiry' and any other information, including a copy of The Code of Ethics, that will reasonably assist the Covered Person in responding to the inquiry.

The Notice of Inquiry will contain;

- a) *The name of the Complainant (where available)*
- b) *A statement of the circumstances underlying the complaint*
- c) *Copies of any relevant supporting documentation.*

The Covered Person shall respond in writing within thirty (30) days of receipt of the Notice of Inquiry. Failure to respond to the Notice of Inquiry or to any other request to submit information relating to the complaint, shall constitute grounds for Summary Suspension (i.e. suspension of membership) for 'failure to cooperate'. The only exception to this will be if the Covered Person can, in the opinion of the Board, offer a suitable reason to justify the need for an extension.

### 3.6 Termination of an Inquiry

The CEO, following receipt of the Covered Person's formal response to the Notice of Inquiry, will make a preliminary assessment of the charges as laid and will advise the Board accordingly.

If, following receipt of the CEO's recommendations, the Board<sup>1</sup> is unanimous that no ethical breach has taken place then the CEO will notify the Complainant and the Covered Person in writing with details and will terminate the inquiry. This notification will be made within 30 days of receipt of the response of the Covered Person to the Notice of Inquiry.

If any member of the Board, following receipt of the CEO's recommendation, is of the view that an ethical violation has taken place, then the matter will be raised at the next full Board meeting. If, following further discussion and analysis of the facts at that time, there is a unanimous decision amongst all present that no ethical breach has taken place the matter will be dropped and the CEO will notify the Complainant and the Covered Person in writing with details and will terminate the inquiry. This notification will be made no more than 5 days after the date of the relevant Board meeting.

If any member of the Board is of the view that an ethical violation has taken place the Board will then be required to conduct disciplinary investigations and impose disciplinary sanctions upon the Covered Person.

### 3.7 Sanctions

Sanctions that may be imposed by the Board, either in isolation or combination, include;

- a) *Private Censure. The least severe sanction. Private censure may be announced publicly excluding the Covered Person's name or other specifically identifying information.*
- b) *Membership Censure. This may be announced amongst the membership but is not for onward distribution to the media or for circulation or discussion other than amongst NZWEA members.*
- c) *Public Censure. This sanction may be announced publicly including the Covered Person's name and company affiliation.*
- d) *Timed Suspension of the Right to use the NZWEA Designation. Covered Person's right to use the NZWEA designation is suspended for a specified period of time.*
- e) *Timed Suspension of Membership. Covered Person's membership in NZWEA is suspended for a specified period of time.*
- f) *Summary Suspension. This sanction automatically removes membership in NZWEA, the right of the Covered Person to use the NZWEA designation and the right to participate in NZWEA sponsored or promoted events.*

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<sup>1</sup> In any instance where a Board member is involved in a complaint, as the Complainant, Covered Person or a related party, they may not be present at that part of the Board meeting where the matter is discussed and they may not vote on any matters related to the complaint.

Sanctions may only be imposed by 75% majority voting of all members of the Board for the time being entitled to vote and present in person or by proxy.

### **3.8 Notice of Disciplinary Action**

All sanctions shall contain a 'Notice of Disciplinary Action' that summarizes;

- a) The nature of the matter and the disciplinary proceeding*
- b) The applicable code, standard(s) and/or rule(s) that were violated*
- c) The sanction to be imposed*
- d) Other information as deemed appropriate by the Board*

### **3.9 Announcement of Sanctions**

Sanctions shall be announced in a manner determined by the Board.

All sanctions shall, in any event, be communicated to the Covered Person within 5 days of being imposed. Public Sanctions, i.e. c), d), e) and f) above, will be;

- a) Immediately notified to all Members via e-mail*
- b) Notified to the Complainant within 5 days of the decision being made.*
- c) Posted on the NZWEA web site within 5 days of the decision being made, for a period of not less than 1 calendar month.*

### **3.10 Continuation of Proceedings after Resignation**

Notwithstanding a Covered Person's resignation from NZWEA and/or from affiliate organisations, disciplinary proceedings may continue and The Board, CEO or applicable subcommittee may impose disciplinary sanctions, if such disciplinary proceedings were commenced prior to such resignation or postponed status.