

**Te Korowai o Ngāruahine Trust Charter
version 3**

Trust's Manual and Policies

Date Approved	Author	Description of Change
August 2019	TOA	

INTRODUCTION

1. Background of Te Korowai O Ngāruahine Trust

- 1.1. Te Korowai o Ngāruahine Trust (**Te Korowai** or **the Trust**) is the post settlement governance entity (**PSGE**) for Ngāruahine.
- 1.2. **In 2007**, the collective hapū of Ngāruahine established an incorporated society, Ngā Hapū o Ngāruahine Iwi Incorporated (**Ngā Hapū**) to represent, manage, promote, foster, assist and develop the affairs of Ngāruahine.
- 1.3. **In 2007**, Ngā Hapū was recognised as the Mandated Iwi Organisation (**MIO**) and Iwi Aquaculture Organisation for Ngāruahine under the Māori Fisheries Act and Māori Commercial Aquaculture Claims Settlement Act respectively.
- 1.4. **In 2010**, Uri of Ngāruahine gave Ngā Hapū a mandate to negotiate a Deed of Settlement with the Crown to settle the historical claims of Ngāruahine. The Crown recognised this mandate in August 2010. Formal negotiations began on October 2010 with the signing of Terms of Negotiation by Ngā Hapū and the Crown.
- 1.5. **In 2012**, an Agreement in Principle relating to the settlement of those historical claims was reached.
- 1.6. **In 2012 & 2013**, Ngā Hapū held consultation hui with Ngāruahine Uri to discuss the establishment of the Trust to act as the as the post-settlement governance entity (PSGE) [and its terms] in order to receive Treaty Settlement assets.
- 1.7. **In 2013**, Ngāruahine resolved to establish the Trust to act as the PSGE for Ngāruahine and that the Trust (acting through the Trustees) hold property as set out in the Deed.
- 1.8. **In 2013**, Ngāruahine resolved that the Trust Deed be ratified for the purposes of the Māori Fisheries Act and the Māori Commercial Aquaculture Claims Settlement Act and that the Trust should replace Ngā Hapū as the MIO and Iwi Aquaculture Organisation for Ngāruahine under those Acts.
- 1.9. The initial members of Ngā Hapū were elected as Trustees to provide consistency and transparency of representation until elections were held for new Trustees.
- 1.10. **In 2013**, Ngāruahine resolved that following the signing of the Ngāruahine Deed of Settlement, the Trust would take up the representative functions of Ngā Hapū and will become the representative entity for the collective interests of Ngāruahine.
- 1.11. **June 10, 2013**, the Trust Deed was considered and formally approved by the Iwi via ballot conducted by Ngā Hapū.
- 1.12. **Since 2013**, the Treaty Settlement process has been completed and settlement assets now total approximately \$80million, the Holding Company (Te Kīwai Maui o Ngāruahine Limited) is established to undertake investment and commercial operational activities and the charitable trust (Te Kīwai Matau o Ngāruahine Charitable Trust) has been established to undertake charitable activities. The role and tasks being undertaken by the Trust has become one of facilitating positive relationships that foster Ngāruahinetanga.
- 1.13 **In 2018 and 2019**, Uri of Ngāruahine are being consulted about proposed amendments to the current Trust Deed and configuration of Trustee representation.

2. Vision

Ka ora taku toa, kia tū Ngāruahine ai tātou

- 2.1 In reviewing the vision, the Trustees were reminded of the efforts of Titokowaru. Our tupuna and his campaign to stop the settlers and the Crown's demand for Māori land. From Titokowaru the whakataukī "**E Kore au e mate, ka mate, ko te mate**" was composed. This whakataukī means "I shall not die, and death, will die before me". This whakataukī represents his fight for our survival, Ngāruahine survival.
- 2.2 Te Korowai O Ngāruahine vision: '**ka ora taku toa**' came from the ngeri composed by Huirangi Waikerepuru entitled, "Titokowaru"
E kore au e mate
Ka mate ko te mate
Ka mate ko te mate
Ka ora taku toa

Ka ora taku toa... evolves from 'E kore au e mate'. Ka ora taku toa... is a reminder of the past where at that time our greatest challenge was our survival and to never give up. Ka ora taku toa... is a call to all Uri of Ngāruahine that because of the sacrifices of our tupuna, we must thrive and flourish.

3. Mission

Ngāruahine, a healthy, wealthy and culturally vibrant iwi

4. Values

- 4.1. **Ngakaunui (sound judgement)** – We will ensure our decisions and stances' on issues are underpinned by timeliness, robust research of relevant facts and that the context is also considered. The Trust will make quality and prudent decisions' and judgements.
- 4.2. **Māhakitanga (respect and humility)** – We will act and carry out our business with an air of quiet confidence and humility. We will respect all people and their views and will allow people an opportunity to air them even if they are inconsistent with our own. We may from time to time disagree with people, however, we will always respect their viewpoint.
- 4.3. **Manaakitanga (sharing and caring)** – We will unconditionally practice manaakitanga in all areas of our business.
- 4.4. **Mahi ka tika (transparency)** – We will ensure our business practices' and major decisions are based on transparent processes and where the information is not commercially sensitive, we will commit to open public exposure through our reporting and communication processes.
- 4.5. **Mahi pono (trustworthiness)** – We will build our Iwi members confidence in us by ensuring we maintain our fundamental values and that people are informed and empowered as whānau and hapū. We will be deserving of the trust of the people of Ngāruahine.
- 4.6. **Hari me te koa (fun and celebration)** – We will celebrate and acknowledge high individual and team performance and achievement amongst our people. Working with and for the Trust will be a fun and enjoyable experience.

5. Overview and definitions

5.1. This Charter includes:

- a. Introduction;
- b. Operational Governance, including:
 - (i) Pouhautū Interrelationship Policy;
 - (ii) Pouhautū Delegation Policy;
- c. Trustee code of conduct; and
- d. Review
- e. Terms of Reference (as schedules) for:
 - (i) Te Ohu Arotake – Audit and Risk Committee (**TOA**);
 - (ii) Te Arohaehae Hautū – Pouhautū Review Committee (**TAH**).
 - (iii) Te Ira Auaha – Nominations & Governance Committee (**TIA**); and

5.2. In this Charter and all Schedules, capitalized words (unless specifically defined in this Charter or the relevant Schedule) have the meaning given in the Trust Deed and the following terms have the following meanings except to the extent that they may be inconsistent with the context or the Trust Deed:

- a. **Board** means the Trustees acting collectively;
- b. **Independent** means a person who:
 - (i) is appointed for their skill, experience and expertise for the role;
 - (ii) is not a Trustee;
 - (iii) does not have any formal or informally recognised role in any Hapū or Mārae entity or activity; and
 - (iv) is free from any business or other relationship (including any whanau/familial relationship where a person is related to a Trustee or management of Te Korowai) or circumstance that could materially interfere with the exercise of the person's objective and independent judgement; and
- c. **Trust Deed** means the Te Korowai o Ngāruahine Trust Deed dated 9 October 2014 and as amended from time to time.

OPERATIONAL GOVERNANCE

6. Role of the Trustees

- 6.1. Trustees of Te Korowai have a paramount **responsibility to act for the collective benefit of the Uri of Ngāruahine**. Te Korowai is the representative of Ngāruahine and in exercising their powers under the Trust Deed the Trustees must work collectively to achieve the objects of Te Korowai (*Trust Deed, clauses 2.2, 2.and 3.3*).
- 6.2. All Trustees are in a place of trust occupying a position of confidence and responsibility with a duty of care to act in good faith and in the best interests of Te Korowai and the Uri of Ngāruahine.
- 6.3. The Board has the legal authority to manage and ensure management of the business and affairs of Te Korowai. In the normal course of events, day to day management of Te Korowai will be in the hands of the Pouhautū (*Trust Deed, clause 5.1*).
- 6.4. The Trustees each commit to representing and promoting the interests of Te Korowai and Ngāruahine with a view to developing a long-term vision and to directing and supervising the management of the business and affairs of Te Korowai.
- 6.5. The Trustees will:
 - a. ensure that Te Korowai uses the Trust Fund to achieve the objects of Te Korowai in accordance with the Trust Deed;
 - b. ensure goals of Te Korowai are clearly established with strategies to achieve those goals in place;
 - c. establish policies to strengthen the performance of Te Korowai ensuring management is proactively innovative, displays initiative, and technology effectively, and works within its budget;
 - d. monitor the performance of management;
 - e. appoint the Pouhautū (General Manager), set the terms of the Pouhautū individual employment agreement and, where necessary, terminate the employment of the Pouhautū (*Trust Deed, clause 5.1*);
 - f. decide what steps are required to protect the financial position of Te Korowai and its ability to meet its debts and other obligations when they fall due;
 - g. ensure Te Korowai adheres to the highest standards of ethics, business and commercial behaviour;
 - h. ensure Te Korowai has appropriate risk management/regulatory compliance policies in place and applied; and
 - i. delegate operational management and decision making of the Holding Company (and its subsidiaries) and the Asset Holding Company (Ngāruahine Fisheries Limited) to the directors of those companies.

7. Expectations of Trustees

7.1. To execute these governance responsibilities, Trustees must possess certain characteristics, abilities and understandings, including:

- a. **fiduciary duties:**
fulfilling their fiduciary duty to act for the collective benefit of the Uri of Ngāruahine at all times regardless of personal position, circumstances or affiliation;
- b. **strategic orientation:**
being future oriented, demonstrating vision and foresight. Their focus should be on strategic goals and policy implications rather than operational detail;
- c. **integrity and accountability:**
demonstrating high ethical standards and integrity in their personal and professional dealings, and be willing to act on and remain collectively accountable for all Board decisions even if these are unpopular or if individual members disagree with them. Trustees must be committed to speaking with one voice on all policy and directional matters;
- d. **informed and independent judgement:**
being able to provide informed, independent, wise, and thoughtful counsel on a broad range of issues;
- e. **financial literacy:**
being able to read financial statements and understand the use of financial ratios and other indices used for evaluating Te Korowai's performance;
- f. **sector knowledge:**
bringing a level of sector knowledge sufficient to contribute to the Board deliberations and considerations on behalf of Te Korowai and Uri of Ngāruahine;
- g. **participation:**
enhancing the Board's deliberations by actively offering questions and comments that add value to the discussion; and
- h. **Code of Conduct:**
comply with the Code of Conduct set out in this Charter in all their dealings with:
 - (i) other Trustees;
 - (ii) Uri of Ngāruahine;
 - (iii) other iwi;
 - (iv) central and local government organisations;
 - (v) community organisations; and
 - (vi) media organisations.

8. Trustee Duties

8.1. As trustees, the Trustees owe duties to Te Korowai, Uri of Ngāruahine, employees of Te Korowai and other stakeholders. Those duties include to:

- (a) know the terms of the Trust Deed;

- (b) act in accordance with the terms of the Trust Deed;
- (c) act honestly and in good faith;
- (d) act for the benefit of the Uri of Ngāruahine and in accordance with the purposes of the Te Korowai;
- (e) exercise their powers for proper purpose;
- (f) when administering a trust (other than when exercising a discretion to distribute trust property), a Trustee must exercise the care and skill that is reasonable in the circumstances;
- (g) when exercising any power to invest trust property, a Trustee must exercise the care and skill that a prudent person of business would exercise in managing the affairs of others;
- (h) a Trustee must not exercise a power of a Trustee directly or indirectly for the Trustee's own benefit;
- (i) a Trustee must consider actively and regularly whether the Trustee should be exercising one or more of the Trustee's powers;
- (j) a Trustee must not bind or commit Trustees to a future exercise or non-exercise of a discretion;
- (k) a Trustee must act impartially in relation to the beneficiaries, and must not be unfairly partial to one beneficiary or group of beneficiaries to the detriment of the others;
- (l) a Trustee must avoid a conflict between the interest of the Trustee and the interests of the Uri of Ngāruahine;
- (m) declare all interests that could result in a conflict between a Trustee's personal and the interests of Te Korowai and the Uri of Ngāruahine;
- (n) exercise diligence and care in fulfilling their functions of the Trust;
- (o) make reasonable enquiries to ensure that Te Korowai is operating efficiently, effectively, legally and ethically in the pursuit of its goals and strategies;
- (p) maintain sufficient knowledge of Te Korowai business and performance to make informed decisions;
- (q) avoid Te Korowai incurring obligations unless he/she believes that such obligations can be met when required;
- (r) attend Board meetings and devote sufficient time to preparation for those meetings to allow for full and appropriate participation in the Board decision making;
- (s) ensure scrupulous avoidance of deception, unethical practice or any other behaviour that is, or might be construed as, less than honourable in the pursuit of the business of Te Korowai;

- (t) not disclose to any other person confidential information other than as agreed by the Board or as required under law;
- (u) act in accordance with their fiduciary duties, complying with the spirit as well as the letter of the law, recognising both the legal and moral duties of the role;
- (v) abide by Board decisions once reached notwithstanding a Trustee's right to pursue a review or reversal of a Board decision;
- (w) not to make, comment, issue, authorise, offer or endorse any public criticism or statement having or designed to have an effect prejudicial to the best interests of Te Korowai; and
- (x) not accept gifts or personal benefits of any value from external parties if it could be perceived that this could compromise or influence any decision of the Board.
- (y) act in the best interest for all Uri of Ngāruahine irrespective of where they reside or their Hapū affiliations;
- (z) only permit Te Korowai to incur obligations if he/she believe, on reasonable grounds, that the Trust will be able to perform those obligations;
- (aa) only commit the Trust to a particular policy or course of action with the prior approval of the Trustees;
- (bb) ensure commitments are reasonable and can be met;
- (cc) be mindful of their position on the Trust in all public situations;
- (dd) ensure that Te Korowai does not trade while insolvent; and
- (ee) maintain all information gained while in that role as a Trustee as confidential.

8.2 Failure to comply with the Trustee duties constitutes a breach of the code of conduct.

9 Governance philosophy and approach

9.1 The Board will govern with an emphasis on:

- (a) being thoughtful and considerate of the past, while serving the legitimate expectations of Uri of Ngāruahine for the future and the collective interests for the present and future Uri of Ngāruahine;
- (b) accounting fully to Uri of Ngāruahine for the performance of Te Korowai and for the Board's stewardship of that performance;
- (c) remaining up to date in terms of Iwi and key stakeholders' concerns, needs and aspirations;
- (d) developing a future focus rather than being preoccupied with the present or past;
- (e) providing leadership in the exploration of strategic issues rather than becoming distracted by administrative detail;
- (f) behaving proactively rather than merely reacting to events and others' initiatives;

- (g) bringing a diversity of opinions and views to bear on its decisions;
- (h) developing and expressing a collective responsibility for all aspects of the business of Te Korowai; and
- (i) ensuring there is a positive environment and motivation for the Pouhautū and that there is adequate training to support for him or her in their role.

10. Communication – Media

- 10.1. In all contact with the media, the Pouwhakarae will be the sole spokesperson on all governance-related matters. The Pouhautū will typically speak on all other matters.
- 10.2. All statements must show respect, avoid offensive or abusive language, adhere to the truth and must not mislead by omission.
- 10.3. Communications to all media must be approved by the Pouwhakarae.

11. Communication - Uri of Ngāruahine

- 11.1. The Trustees will each endeavour to familiarise themselves with issues and concerns of Ngāruahine.
- 11.2. The Board will regularly evaluate economic, political, social and legal issues and any other relevant external matters that may influence or affect the development of the business or interests of Ngāruahine and if necessary, will source outside expert advice on these matters.
- 11.3. The Pouhautū is responsible for communication to Uri of Ngāruahine.

12. Communication – Trustees and Election candidates

- 12.1. All communications to candidates and Trustees (whether or not they are continuing in office) about the outcome of an Election must be through the Pouhautū only and on the advice of the Returning Officer.

13. Communication – Crown and External Stakeholders

- 13.1. Te Korowai will use its best endeavours to familiarise itself with issues of the Crown and concerns relevant to external stakeholders.
- 13.2. Te Korowai recognises that its long-term survival and prosperity are closely intertwined with the environment and markets within which it must operate as a responsible business, organisation or corporate citizen.
- 13.3. The Pouwhakarae is responsible for communication to the Crown and external stakeholders and may delegate to Pouhautū or a responsible Trustee.

14. Strategic Direction and Planning

- 14.1. An essential element in the Board's leadership role is its responsibility to set the strategic direction for Te Korowai. There is an ongoing responsibility to:
 - (a) identify Te Korowai priorities;

- (b) manage expectations of Uri of Ngāruahine;
- (c) monitor progress against the strategic goals and objectives; and
- (d) view and approve annual business plans and the annual budget.

14.2. The Board will:

- (a) establish and review annually the Te Korowai purpose, vision, strategies and priorities;
- (b) review annual plans to ensure alignment of the direction, priorities and strategies of Te Korowai;
- (c) schedule strategic dialogue at Board meetings that creates opportunities for the Board and management to think strategically about future issues important to the wellbeing and success of Te Korowai;
- (d) make every effort to ensure that Te Korowai does not raise community, supplier or stakeholder expectations that cannot be fulfilled; and
- (e) meet its responsibility to ensure that all employees employed by Te Korowai are treated with due respect and are provided with a working environment and working conditions that meet all reasonable standards of employment as defined in relevant workplace legislation.

15. Financial governance

15.1. The Board has a core duty to ensure the financial integrity, viability and reporting of Te Korowai (*Trust Deed, clause 6.1*). This entails:

- (a) oversight of all financial processes and systems;
- (b) regular review of financial results; and
- (c) annual approval of Te Korowai's financial plan, budget and financial announcements.

15.2. The Trustees will:

- (a) develop, review and monitor the implementation of governance level financial policies;
- (b) provide guidance on budget parameters and priorities; and
- (c) have authority to:
 - (i) approve the annual budget and financial plan including capital expenditure;
 - (ii) approve expenditure outside budget parameters; and
 - (iii) review and approve:
 - (1) the full year financial statements, reports and outcomes;
 - (2) the TOA annual plan and scheduled reports; and
 - (3) financial statements and reports at each Board meeting or at the Board's request.

16. Board and Trustee's Performance Assessment and Professional Development

- 16.1. The Board's value-adding role requires that the Board as a whole and all Trustees regularly review their performance.
- 16.2. Trustees must have access to professional development relevant to the role and duties of Trust membership will be provided.
- 16.3. Accordingly, the Board will:
- (a) undertake a structured assessment of its performance and of the performance of individual Trustees every two years;
 - (b) the criteria for assessing the Board's performance will be drawn from the documented policies of the Trust together with any further criteria agreed by the Trust from time-to-time;
 - (c) the outcomes of the assessment will establish the future requirements for the effective governance and Board leadership of Te Korowai;
 - (d) a suitably qualified independent specialist may be used to assist the Board in this process;
 - (e) the Board will make every reasonable effort to facilitate training for all Trustees and for the Trust as a whole to maximise its value-adding contribution to the organisation; and
 - (f) an annual Board cost of governance budget will be established that provides for both Trust and individual Trustee performance assessment and professional development together with other governance associated costs. The quantum of this budget item will be determined on a year by year basis.

17. Pouwhakarae Role (Chairperson) and Deputy Pouwhakarae

- 17.1. The Pouwhakarae provides leadership to the Trust.
- 17.2. The Pouwhakarae ensure the Trust processes and actions are consistent with its policies.
- 17.3. The Pouwhakarae and the Deputy-Pouwhakarae must be elected and hold office in accordance with the requirements of Schedule 3 of the Trust Deed.
- 17.4. The Pouwhakarae will:
- (a) represent Te Korowai to outside parties;
 - (b) promote a culture of stewardship, collaboration and co-operation, modelling behaviours that define sound governance;
 - (c) chair Board meetings and has primary responsibility for:
 - (i) ensuring that all Trustees receive sufficient and timely information to enable them to be effective Trustees;
 - (ii) orderly conduct and efficient functioning of all meetings of Trustees;
 - (iii) setting the agenda for meetings of the Trustees;

- (iv) facilitating Board meetings to ensure that no Trustee dominates discussion, that discussion is appropriate, that relevant opinion amongst members is forthcoming;
 - (v) confining meeting discussion content to governance matters as defined in the Trust's policies;
 - (vi) ensuring all Trustees are treated even-handedly and fairly; and
 - (vii) ensuring that all Trustees are encouraged and enabled to make a contribution to the Trust's deliberations;
- (d) have no authority to unilaterally change any aspect of Trust policy;
- (e) the Pouwhakarae shall establish a regular communication arrangement with the Pouhautū in which there is an exchange of information. This might also provide an opportunity for the Pouhautū to use such sessions as a sounding board for proposed actions or to check interpretations of Trust policy. However:
- (i) the Pouwhakarae will maintain an appropriate professional distance from the Pouhautū to ensure objectivity and attention to governance matters and concerns; and
 - (ii) the Pouwhakarae will not inhibit the free flow of information to the Board necessary for sound governance. Therefore, the Pouwhakarae will never undermine the Board and its formal links with the Pouhautū; and
- (f) the Pouwhakarae may delegate aspects of the authority accompanying the position but remains accountable for the overall role.

17.5 If the Pouwhakarae is not present at the time of a meeting, the Deputy Pouwhakarae will be the chairperson. If neither Pouwhakarae nor Deputy Pouwhakarae is present, the Pouwhakarae will elect one of the Trustees to substitute for that meeting.

17.6 The Deputy Pouwhakarae:

- (a) must be a person who:
 - (i) displays courage and resilience;
 - (ii) has the confidence of the other Trustees and, in particular, of the Pouwhakarae (for the avoidance of doubt, if a person is elected to be Deputy Pouwhakarae without the confidence of the Pouwhakarae, then that person will not be appointed and a new election must be held for the position of Deputy Pouwhakarae);
- (b) act in the place of the Pouwhakarae to the extent necessary to ensure that the duties of the Pouwhakarae are fulfilled during any temporary period when the Pouwhakarae is unable to undertake some or all of his or her duties as Pouwhakarae; and
- (c) unless the Board determines otherwise will not receive any additional remuneration for undertaking the role of Deputy Pouwhakarae.

17.7 The Pouwhakarae may act independently of the Board where he/she reasonably believes this is necessary to protect the interests of Te Korowai and Uri of Ngāruahine. Where the Pouwhakarae takes such independent action, this must then be reported on to the Board at the first appropriate opportunity.

18 Indemnity and Insurance

- 18.1 Te Korowai O Ngāruahine Trust will provide Trustees with indemnity insurance cover (*Trust Deed, clause 14*).
- 18.2 Any additional insurance cover is the responsibility of the individual Trustee while acting in their capacity as Trust member of Te Korowai.

19 Fees and Reimbursement of Trustees' expenses

- 19.1 The Pouwhakarae and Trustees will receive an annual fee to be set from time to time.
- 19.2 Trustees will determine the level of remuneration payable to each Trustee (*Trust Deed, clauses 3.6a&b*).
- 19.3 Accordingly, the Board will:
- (a) before any review of Trustee remuneration, seek external professional advice in relation to an appropriate level of remuneration for each Trustee;
 - (b) fix a level of remuneration for each Trustee that is no greater than that recommended by external advice;
 - (c) provide details, at the Annual General Meeting, of the level of remuneration set in accordance with advice received from the external party (*Trust Deed, clause F6.1e*); and
 - (d) subject to the policies and approval of TOA, Te Korowai will reimburse all reasonable expenses incurred by Trustees in the carrying out of their role.

20. Risk Management

- 20.1 The Board will identify and evaluate the principal risks faced by Te Korowai.
- 20.2 Te Korowai will ensure that appropriate systems are in place to avoid or mitigate these risks including the protection of intellectual capital.
- 20.3 Accordingly, the Board will ensure that:
- (a) robust risk management policies and processes are developed and monitored addressing all areas of organisational risk and that the Board is kept abreast of all key organisation risks areas and strategies in a timely manner;
 - (b) suitable internal controls are in place and are enacted and monitored to ensure effective and efficient operation and management of Te Korowai's resources;
 - (c) proper accounting records are kept; and
 - (d) prompt investigation of any material shortfalls or breaches in compliance or risk management standards.

21. Board Committees and Working Parties

- 21.1 The Trust will establish committees and working parties to support its governance work.
- 21.2 The work of committees and working parties should not conflict with the Pouhautū's delegated responsibilities.

21.3 Accordingly, the Board committees will:

- (a) have terms of reference defining their role, life span, procedures and functions, the boundaries of their authority, and review requirements;
- (b) may co-opt outside members from time to time in order to bring additional skills, experience or networks;
- (c) must not exercise authority over employees nor shall they delegate tasks to any employees unless the Pouhautū has specifically agreed to such delegations;
- (d) unless explicitly empowered by the Board, may not make binding decisions or speak for Te Korowai (for the most part the function of committees and working parties, in fulfilling their role, is to make recommendations to the Board); and
- (e) not mirror operational divisions, departments or employees' functions.

22. Board Meetings

22.1 The majority of Trust business will be conducted in Board meetings.

22.2 In order to ensure effective meetings', the following principles apply.

22.3 Accordingly, the Board will:

- (a) the Trust will make the best possible use of its meetings by dealing only with matters that have governance-level significance, by focusing primarily on the future and, within a defined policy framework, by delegating as much as possible to the Pouhautū;
- (b) the Trust will develop a work plan covering the each 12 month period that:
 - (i) ensures the Board regularly reviews progress towards the achievement of the strategic direction/strategic plan and relevant strategic issues;
 - (ii) provides assurance that all relevant compliance requirements are addressed; and
 - (iii) improves Board performance through education/training and continuous focus on its governance effectiveness;

the Pouwhakarae will, in consultation with the Pouhautū, establish the agenda for each Board meeting and the focus of the meeting will be a topic(s) drawn from the work plan;

- (c) normally meet once every two months (however, Board meetings may be scheduled at other times or at other frequencies as determined by the Pouwhakarae; and
- (d) Trustees will receive their Trust papers at least five working days prior to the meeting.

22.4 All Trustees have the opportunity to contribute to the agenda for regular Board meetings by submitting to the Pouhautū (at least five working days before the meeting date):

- (a) a decision paper or information paper (in the appropriate form prescribed by the Board); and
- (b) all supporting documents relating to the paper must be attached.

22.5 Others (e.g. staff) may participate in Board meetings at the discretion of the Pouhautū or the Pouwhakarae. Such attendees will respect the Board integrity and accountability and will accept any constraints imposed by the Board or by the Pouwhakarae on their participation and presence.

22.6 The Board may hold 'Trustee only' sessions at its discretion. Such sessions which will usually be scheduled prior to or at the end of the meeting and should not exclude the Pouhautū from deliberations on matters to which his/her role as the Board chief adviser would be compromised.

23 Trustee Induction and Exit

The Board will provide to all new Trustees a thorough induction into the affairs of both the Board and Te Korowai at large ensure the Trustee is equipped with key documents in preparation for their roles and responsibilities as a Board member.

23.1 Trustees (including Trustees who are elected unopposed) will:

- (a) commence their term of office in accordance with the timeframes set out in Paragraph 3.1 of Schedule 2 the Trust Deed; or
- (b) if all Trustees being appointed are elected unopposed (for example, in a By-election where the number of nominees is equal to the number of positions) those Trustees will commence their term of office five Working Days after the date on which the Chief Returning Officer confirms that the nominee has been elected unopposed.

23.2 Accordingly, the Board will:

- (c) provide all prospective Trustees with all relevant information;
- (d) upon appointment/election and prior to attendance at their first Trust meeting, provide new Trustees with training of Convene, the paperless system that includes:
 - (i) Trust Manual/ including Governance policies;
 - (ii) constitution/Trust Deed;
 - (iii) relevant legal governance documentation;
 - (iv) past and current meeting papers;
 - (v) an organisational chart;
 - (vi) contact details for the Pouwhakarae and Pouhautū;
 - (vii) a glossary of key terms, definitions and acronyms;
 - (viii) the current year's meeting schedule; and
 - (ix) current financial audited accounts; and
- (e) arrange for new Trustees to:
 - (i) meet with the Pouwhakarae for a governance familiarisation. This meeting may be held as a group session of new Trustees or with as individuals; and
 - (ii) meet with the Pouhautū for an operational familiarisation.

- 23.3 Upon a Trustee ceasing to hold office (either as the result of an Election or otherwise):
- (a) the Pouwhakarae will meet with the Trustee and discuss their experience as a Trustee, including:
 - (i) what does the Board do well; and
 - (ii) what improvements could the Board make; and
 - (b) the Board may arrange for an appropriate acknowledgement of the Trustee's contribution to Te Korowai (for example, by presenting the Trustee with a Taonga at a General Meeting).

POUHAUTŪ (GENERAL MANAGER) INTERRELATIONSHIP POLICY

24. Board Delegation to Pouhautū

- 24.1 The Board delegates to the Pouhautū responsibility to implement its strategic direction/plan in accordance with the Pouhautū delegation policies.
- 24.2 Whenever enacting this Charter, where there is a clash with the individual employment agreement of the Pouhautū, the individual employment agreement prevails.
- 24.3 The Pouhautū is the sole linkage and point of accountability between the Board and the operational personnel and activities of Te Korowai.
- 24.4 The achievement of successful operational outcomes will be applied by the Board as measures of the Pouhautū performance.
- 24.5 Only the Board through the Pouwhakarae can instruct the Pouhautū and those instructions must be in accordance with Te Korowai policy.
- 24.6 The Board will establish a clear strategic direction and performance indicators to be applied when reviewing the performance of Te Korowai and the Pouhautū.
- 24.7 The Board will make clear to the Pouhautū in writing, any limits it chooses to place on his or her freedom to take actions or make decisions that the Board deems to be acceptable within the delegation, allowing the Pouhautū any reasonable interpretation of these policies (further defined in the Pouhautū delegation policy).
- 24.8 The Pouhautū is responsible for the recruitment, management and performance evaluation of all organisation employees or contractors (*Trust Deed, clause 5.2*).
- 24.9 Neither the Board nor individual Trustees will 'instruct' employees/contractors in any matters relating to their work.
- 24.10 The Board will respect and support the Pouhautū's choice of actions to achieve the outcomes sought by the Board and do so in a manner consistent with Te Korowai policies and values.
- 24.11 The expert knowledge and experience of individual Trustees is available to the Pouhautū.

25. Pouhautū Authority

- 25.1 The Pouhautū must apply 'reasonable interpretation' of the Trust's policies to establish all operational policies, make all operational decisions and design and implement and manage all operational practices and activities.

25.2 Acknowledging the Trustees' right to have access to information necessary to meet their duty of care to Te Korowai, the Pouhautū may refuse instructions or requests from individual Trustees or from unofficial groups of Trustees if, in his or her opinion, such requests or instructions are:

- (a) inconsistent with the Trust's policies,
- (b) would make unjustifiable intrusions into the Pouhautū or other employees time;
- (c) are an unjustifiable cost to Te Korowai; or
- (d) are lawful

26. Pouhautū Remuneration

26.1 Pouhautū remuneration will be recommended by TAH for approval by the Board based on terms and conditions that reflect performance of Te Korowai and executive market conditions.

26.2 Remuneration will be competitive with similar performance within the marketplace based on achievement of Te Korowai strategic direction and strategic goals while complying with the governance/operational policies.

26.3 A committee process may be used to gather information and to provide options and recommendations for the Board for its consideration and decision about the remuneration of the Pouhautū.

27. Pouhautū Performance Assessment

27.1 The Pouhautū's performance will be assessed by the Board against achievement of the Board-determined strategic outcomes and compliance with Pouhautū Delegation policies. The Board will provide regular performance feedback to the Pouhautū.

27.2 The performance of Te Korowai will be revealed by the monitoring system to be directly related to criteria given by the Board in policy.

27.3 The standard applied to all facets of the performance assessment will be that the Pouhautū has met or can demonstrate compliance with the intent or spirit of Te Korowai policies.

27.4 The Board may monitor any policy at any time using any method but will normally base its monitoring on a predetermined schedule.

27.5 The Board may use any one or more of the following three methods to gather information necessary to ensure Pouhautū compliance with Te Korowai policies and thus to determine its satisfaction with that person's performance:

- (a) Pouhautū reporting;
- (b) advice from an independent, interested third party; or
- (c) direct inspection by a Board member or group of Trustees.

POUHAUTŪ DELEGATION POLICY

28. Overarching Pouhautū Limitation

28.1 The Pouhautū must not take, allow or approve any action or circumstance in the name of Te Korowai that is in breach of any Te Korowai delegation policy, the law, contravenes any Te Korowai specific or commonly held business or professional ethic or generally accepted accounting principles.

29. Budgeting and Financial Planning

29.1 Budgeting and financial planning for any financial year or the remaining part of any financial year will be designed to ensure the achievement of the Trust-determined strategic outcomes.

29.2 The Pouhautū must:

(a) demonstrate:

- (i) a credible projection of revenues and expenses;
- (ii) separation of capital and operational items;
- (iii) projection of cash flows; and
- (iv) disclosure of planning assumptions; and

(b) not:

- (i) plan any expenditure in any financial year that would result in default under any of the Te Korowai financing arrangements or cause Te Korowai to become insolvent; or
- (ii) design a financial plan that anticipates the achievement of a 'bottom line', materially different from that determined by the Board (e.g. a predetermined surplus, acceptable deficit or balanced budget).

30. Financial Management

30.1 The Pouhautū is responsible for the day-to-day financial management of Te Korowai.

30.2 In carrying out this duty he/she must ensure that nothing is done, or authorised to be done, that could in any way cause financial harm or threaten the financial integrity of Te Korowai.

30.3 The Pouhautū must:

- (a) only enter into contracts or accept liabilities as approved by the Board for the furtherance of Board-approved purposes and priorities;
- (b) only expend the approved allocated budgeted funds received in the financial year;
- (c) ensure invoices from suppliers of goods and services are paid in a timely manner rather than beyond trade credit terms agreed with those suppliers;
- (d) authorise expenditure within the level established by the Board and in accordance with any delegation policy;

- (e) meet all government-imposed compliance requirements or payments on time and to standard;
- (f) only acquire, encumber or dispose of land or buildings with Board approval; and
- (g) ensure that there are limitations on expenditure and adequate controls on the use of credit or other purchase cards by card holding staff.

31. Monitoring Operational Performance

31.1 The Board has a duty and responsibility to oversee and monitor the performance of the operational organisation.

31.2 To ensure Te Korowai strategy, vision, mission and values are implemented.

31.3 Accordingly, the Pouhautū will:

- (a) report to the Board on the performance of Te Korowai at a frequency and to a high-quality standard specified by the Board; and
- (b) report to targets and key performance indicators set by the Trust based on well researched information and known interests alongside of legal duties and expectations.

32. Employee Remuneration and Benefits

32.1 In managing the setting and review of employee salaries and benefits, the Pouhautū must not make decisions or promises that would in any way cause or threaten financial harm to Te Korowai.

32.2 The Pouhautū must:

- (a) set salaries and benefits within the limits approved by the Board; and
- (b) avoid:
 - (i) creating obligations that cannot be met over the projected period of the individual's term of employment or over a period for which revenues can realistically be projected; and
 - (ii) any unfunded liabilities from occurring or committing Te Korowai to benefits that incur unpredictable future costs; and
- (c) establishing long-term employment arrangements under circumstances when such guarantees or promises cannot realistically be honoured.

33. Stakeholder relations

33.1 The Pouhautū shall ensure that sound relations are maintained with all key stakeholders, especially those with whom Te Korowai has a funding relationship.

33.2 The Pouhautū must:

- (a) protect the formal process for addressing stakeholder expectations and contractual relationships. This might be in the form of a stakeholder plan; and
- (b) meet all compliance requirements relating to stakeholder/funder contracts.

34. Protection of Assets

34.1 The Pouhautū must take all prudent and reasonable actions to ensure that Te Korowai assets (physical and intellectual) are protected against all foreseeable damaging circumstances.

34.2 The Pouhautū must:

- (a) ensure assets are insured for more than is considered necessary for prudent risk-management;
- (b) protect Te Korowai, its Trustees and employees against claims of liability;
- (c) ensure purchase of goods or services is as according to IRD expectations;
- (d) protect intellectual property, information, and files from loss, improper use (or for improper purposes) or significant damage;
- (e) ensure that there are appropriate and effective security systems in place to adequately safeguard against loss, common damage or theft of staff, customer and organisation property; and
- (f) maintain a current assessment and evaluation of the risk factors that could conceivably disrupt Te Korowai from effective and efficient operation and ensure that there are plans and systems that, in the event of disruptive events, will allow continuity of business.

35. Communication & Support to the Board

35.1 The Pouhautū must not permit the Board to remain uninformed about issues and concerns essential to the meeting of its duty of care, the carrying out its responsibilities and the meeting of its accountabilities to Uri of Ngāruahine and key stakeholders.

35.2 The Pouhautū must:

- (a) provide support and information in a timely, accurate and understandable fashion addressing the various issues to be monitored by the Board;
- (b) provide financial reports that make clear:
 - (i) significant trends;
 - (ii) data relevant to agreed benchmarks and Board-agreed measures; and
 - (iii) financial data as determined by the Board from time-to-time;
- (c) Inform the Board of
 - (i) significant external environmental trends;
 - (ii) adverse media publicity; and
 - (iii) achievement of or progress towards the achievement of the Te Korowai strategic direction and Annual Plan or changes in the basic assumptions upon which Te Korowai policies are based;
- (d) inform the Board when for any reason there is actual or anticipated non-compliance with a Te Korowai policy;

- (e) inform the Board of any serious legal conflict or dispute or potential serious legal conflict or dispute that has arisen or might arise in relation to matters affecting Te Korowai;
- (f) ensure the Board is provided with a wide range of views and perspectives in support of effective decision-making;
- (g) bring to the Board's notice such occasions when it is in breach of the Trust Deed or Te Korowai process and policies particularly when this relates to the Pouhautū's ability to carry out his/her responsibilities; and
- (h) deal with the Board as a whole except when responding to individual requests for information or requests from Board committees or working parties

36. Emergency Pouhautū Succession

36.1 The Board recognises that one of its major risks is the loss of key personnel, particularly its Pouhautū.

36.2 The Pouhautū must ensure that there is in place an emergency management regime that can operate in the event of unexpected loss of his or her services including at least one person capable of responding to Board concerns and requirements at a level necessary for effective governance.

37 Employment Conditions

37.1 In exercising the delegation for the management of staff, the Pouhautū must ensure that the workplace environment is conducive to sound workplace practices, consistent with employment legislation and the Te Korowai values.

37.2 The Pouhautū must provide employees with:

- (a) clear guidelines as to their rights, entitlements and workplace obligations;
- (b) 'equitable', 'safe', 'dignified' and 'fair' working conditions as defined in relevant employment legislation;
- (c) the right to an approved and fair internal grievance process;
- (d) access to the Board via the Pouwhakarae to express a grievance when:
 - (i) the internal grievance process has been properly followed;
 - (iii) the employee asserts that the Pouhautū has breached a Te Korowai policy to his or her detriment;
 - (iv) the employee asserts that Te Korowai has not provided adequate protection of the employee member's human rights and there is verifiable evidence of this; and
- (e) ensure that all employees are acquainted with their rights under this policy.

38. Public Affairs

38.1 The Pouhautū must not undertake, approve or in any way support any action that is directly or indirectly demeaning or derogatory or in any way damaging to Te Korowai.

TRUSTEE CODE OF CONDUCT

39. Ethical Conduct

- 39.1 The Board (and each Trustees individually) is committed to the adoption of ethical conduct in all areas of their responsibility and authority.
- 39.2 The reputation and public perception of the Trust is largely dependent on the conduct of the Pouwhakarae and the Trustees.
- 39.3 The Pouwhakarae and the Trustees must respect the requirements and limits of their roles, as set out in this Charter.
- 39.4 Although appointed by their Hapū Electorate, when acting as Trustees, each Trustee must represent Te Korowai and is accountable to Te Korowai under its Trust Deed, rules and policies (including this Charter).
- 39.5 Trustees must act as one voice and in the best interest of the Uri of Ngāruahine.
- 39.6 The Trustees must comply with the expectations and duties set out in the Charter and the Trust Deed.
- 39.7 Failure to comply with this Code of Conduct is grounds for suspension and removal from office (*Trust Deed, paragraph 7 of Schedule 2*).

40. Governing Principles

- 40.1 The Trustees will be guided in the fulfilment of the Trust's objects by the following guiding principles:
- (a) **Mana motuhake:** The collective Hapū and individual Hapū will determine their own future and govern their own development respectively.
 - (b) **Kaitiaki:** The collective Hapū and individual Hapū are the customary owners, guardians and trustees for all things and matters pertaining to their respective social, economic and political development and future, and also over their traditionally recognised responsibilities including but not limited to, maunga, urupā, wāhi tapu, awa, moana, roto, taonga, kōhatu, coastline, fisheries and papakāinga.
 - (c) **Mana:** Mana resides in the Iwi and in each of the Hapū and the mana of the Iwi is paramount.
 - (d) **Tikanga:** The tikanga of Ngāruahine Iwi and each Hapū is to be upheld.
 - (e) **Mana whenua:** Each Hapū as hau kainga holds mana whenua over all the lands and waterways within its takiwā.
 - (f) **Mana moana:** Each Hapū as hau kainga holds mana moana over all the mātaimai, tauranga waka, moana, takutai, kawa, wai and seabed adjacent to its lands and within its takiwā.
 - (g) **Whānaungatanga:** The collective Hapū and Members of Ngāruahine have close and historical links with each other and Ngāruahine as a whole has close and historical links with other iwi.

- (h) **Kotahitanga:** The collective Hapū recognise the value of unity as Ngāruahine Iwi and pursuing common objectives together.
- (i) **Ngāruahinetanga:** Acknowledges all Uri of Ngāruahine and the many avenues by which Uri of Ngāruahine, whanau, hapū and Iwi practice their Ngāruahinetanga.

39. Confidentiality

41.1 Each Trustee will:

- (a) be bound by the rule of confidentiality for all matters discussed at meetings of Trustees;
- (b) ensure that they keep in strict confidence all non-public information disclosed to them in their capacity as Trustees and any information entrusted to the Trust that is confidential in nature;
- (c) take sufficient precautions to preserve the confidentiality of any such information;
- (d) not disclose such information to any other person without the prior approval of the Pouwhakarae, except where disclosure is allowed or required by law.

41.2 Failure to adhere to the confidentiality provisions of this clause 41 constitutes a breach of this code of conduct.

42 Conflict of Interests

42.1 Any Trustee who is, or may be in any other capacity whatsoever interested or concerned directly or indirectly, on a pecuniary basis or otherwise, in any property or undertaking in which the Trust is or may be in any way concerned or involved must fully disclose any existing or potential conflicts of interest or a related party transaction of the Board including:

- (a) if the monetary value of the Trustee's interest is able to be quantified, the nature and monetary value of that interest; or
- (b) if the monetary value of that Trustee's interest cannot be quantified, the nature and extent of that interest.

42.2 A Trustee will be interested in a matter if she or she:

- (a) is a party to, or will derive a material financial benefit from, that matter;
- (b) has a material financial interest in another party to the matter;
- (c) is a director, officer or trustee of another party to, or person who will or may derive a material financial benefit from, the matter, not being a party that is wholly owned by the Trust or any Trust Entity;
- (d) is the parent, child or spouse (being a partner in a marriage or civil union or couple living together in a de facto relationship of another party to, or person who will or may derive a material benefit from, the matter; or
- (e) is otherwise directly or indirectly interested in the matter.

42.3 Common examples of conflicts of interest include:

- (a) when a Trustee, or his/her immediate family or business interests, stands to gain financially from any business dealings, programmes or services provided to Te Korowai;
- (b) when a Trustee offers a professional service to Te Korowai; or
- (c) when a Trustee stands to gain personally or professionally from any insider knowledge if that knowledge is used for personal or professional advantage.

42.4 If a Trustee is in doubt about a potential conflict of interests, then as a matter of best practice, he or she must disclose that interest. Additional guidance can be sought from the Pouwhakarae.

42.5 The Pouwhakarae (in consultation with TOA) will determine whether or not the conflict is of a material nature and will advise the individual accordingly.

42.6 Where a conflict of interest is identified and it is of material, the Trustee concerned must:

- (a) not take part in any deliberations or decisions at a meeting of the Board concerning any matter in which that Trustee is or may be interested, unless invited to take part by the Pouwhakarae;
- (b) absent himself or herself for sufficient time to enable the Board to discuss the matter;
- (c) voluntarily abstain from voting on the matter with which he or she is interest, and absent himself or herself from the meeting during the vote, lest his or her presence unduly influence the voting process (or be seen to do so); and
- (d) a Trustee is disregarded for the purpose of forming a quorum for any such deliberation or decision.

42.7 Interests Register:

- (a) Any business or personal matter which could lead to a conflict of interest of a material nature involving a Trustee and his/role and relationship with Te Korowai, must be registered in the interests register and recorded in the minute book.
- (b) All such entries in the interests register must be presented to the Board and minuted at the first Board meeting following entry in the register.
- (c) Normally there will be the opportunity at the commencement of each Board meeting for conflicts of interest to be disclosed.
- (d) The Pouwhakarae (in consultation with the Board) will determine what records and other documentation relating to the matter will be available to the Trustee;

42.8 Individual Trustees who are aware of a real or potential conflict of interest of another Trustee must bring this to the notice of the Board.

42.9 Where a Trustee has an ongoing material conflict of interest, this Trustee must consider resignation from the Board particularly where the continuing material conflict of interest prejudices the Trustee's ability to contribute fully to the deliberations and decisions for the Board.

43 Trustee statements and conduct

43.1 Trustees must refrain from making any comments or statements' that bring Te Korowai or the Board into disrepute or undermines Te Korowai in any way including improper or derogatory allegations' and any form of conduct unwarranted offence or embarrassment (*Trust Deed, clauses 26.3 & 26.4*);

44 Meetings

44.1 Trustees will be well prepared and punctual, and actively, respectfully and constructively contribute to the discussions of the Board.

44.2 The Pouwhakarae (or in the case of a Board committee, the chairperson of that committee) has primary responsibility and authority to oversee the orderly conduct of meetings and may exercise that authority to remove any person from a meeting where their presence (due to a conflict of interest or potential conflict of interest) or behaviour (on a reasonable assessment) is inappropriate and not in accordance with the Trust Deed or this Charter; and

44.3 Discussions at a meeting of the Board will be open and constructive, recognising that genuinely held differences of opinion can, in such circumstances, bring greater clarity and lead to better decisions.

44.4 Trustees must consistently attend meetings of Trustees and devote sufficient time to make and keep themselves familiar with the affairs of Te Korowai.

44.5 Once a matter has been resolved at a meeting of the Board, that resolution determines the formal position of Te Korowai unless or until the position is changed by a subsequent resolution of the Board. All Trustees must respect and not act or make public comment that is contrary to the formal position of Te Korowai.

44.6 Failure to adhere to the meetings provisions constitutes a breach of this code of conduct.

REVIEW OF THE CHARTER

45 Review

45.1 This Charter will be reviewed by the Board no later than 12 months before the General Election

SCHEDULE 1 – Terms of Reference Te Ohu Arotake (Audit and Risk Committee)

POLICY STATEMENT

1. Te Korowai and its Subsidiaries constitute the Ngāruahine Group which is a significant sized group with a high level of accountability to its people. Our organisational commitment to mahi ka tika (transparency) and mahi pono (trustworthiness) is embedded within our Trust deed. This means that we will adopt full reporting processes and ensure our business practices and major decisions are based on transparent processes.
2. The creation of a Te Ohu Arotake (**TOA**) in accordance with paragraph 7.1 of Schedule 3 of the Trust Deed does not remove the requirement for the full Board to take an active role in ensuring the guiding principle of Ngākaunui (sound judgement) is exercised, and overseeing accountabilities and performance in key areas that are also monitored by the TOA.

PURPOSE

3. The purpose of the TOA is to assist the Board in discharging its responsibilities relative to financial reporting, regulatory conformance quality and risk management. TOA will assist the Board in its oversight of all matters relating to:
 - a. the financial accounting and reporting of Te Korowai (and the Ngāruahine Group) including budgets and cash flow forecasts.
 - b. the adherence to any financial, distribution or reserves policies or strategies set by the Board.
 - c. the monitoring of the investment performance of the Holding Company (Te Kīwai Maui o Ngāruahine Limited) and the Asset Holding Company (Ngāruahine Fisheries Limited).
 - d. the monitoring of risk management processes undertaken by management.
 - e. the approval and monitoring of external auditors (of both financial and non-financial systems) and any internal audit programme.

SCOPE

4. This policy applies to Te Korowai, TOA and all such similar entities that form part of the Ngāruahine Group whether or not they are Trust Entities.

MEMBERSHIP & CHAIR

5. TOA will comprise no less than two, and no more than three Trustees plus the Pouwhakarae as an ex-officio member and a minimum of one and maximum of two Independent members.
6. Trustees will be appointed to TOA at the first meeting of the incoming Te Korowai Board following the general election.
7. The TOA chair will be appointed by the TOA Committee, must be a Trustee and endorsed by the Te Korowai Board.

8. In appointing the Independent members of TOA, the Board must ensure that at no time will the number of Independent members exceed the number of Te Korowai Trustees appointed to TOA.
9. Members of TOA who are Te Korowai Trustees will have a term that matches the term of their appointment to the Te Korowai Board. Trustees may not serve more than three consecutive terms as a TOA member. If a Trustee serves three consecutive terms they must stand down for a two year period prior to being eligible for reappointment to TOA.
10. TOA will be responsible for recruiting and appointing the Independent Member for this committee to be endorsed by the Board
11. At least one of the Independent members of TOA must be a member of Chartered Accountants Australia & New Zealand (CA ANZ) or its successor organisations. For any other person to be eligible for appointment as an Independent member of TOA, the person needs to demonstrate that they:
 - a. are a current or retired member of CA ANZ or;
 - b. can demonstrate extensive investment and/or commercial experience with investments/ portfolios in excess of \$50 million; or
 - c. have relevant governance experience in commercial decision and finance, audit and risk committees in an organisation with a turnover in excess of \$25 million per annum.
12. For the avoidance of doubt, Te Korowai Trustees are not eligible for appointment as an Independent Member but it does not exclude those who have previously served as Trustees.
13. Independent members shall have four-year terms. Independent members may only serve a maximum of two consecutive terms.
14. Should an Independent member become a Trustee, their appointment as an Independent member of TOA will cease (and a new appointment process must occur) although this does not prohibit that person serving as a Trustee member of TOA.

MEETINGS AND REPORTING

15. The quorum of members for TOA is the majority of members including the Independent member.
16. TOA may have in attendance members of management and any other persons including the internal or external auditors, as it considers necessary to provide appropriate information and explanations.
17. TOA is a closed committee. If a special meeting of TOA is convened to consider the activity of one or more of the Trustee members of TOA:
 - a. the chair of TOA may exclude those Trustees from that meeting; and
 - b. the Pouhautū must be in attendance (and where possible, given the subject matter, also the Pouwhakarae).
18. All TOA meetings may be held by video-conference or tele-conference at the discretion of the chair.

19. Reasonable notice of meetings and the business to be conducted will be given to TOA members, with additional advice to all other Trustees, the Pouhautū and the external auditors as appropriate.
20. Meetings will be held every two months having regard to the Te Korowai reporting and audit cycle and the set Board and sub-committee work plans. Any member of TOA, the Pouhautū, or the external auditors may request an urgent meeting of TOA at any time.
21. TOA will maintain direct lines of communication with the external auditors, the Pouhautū, any internal auditors and with management including those responsible for quality and non-financial risk management.
22. TOA will meet on its own, and with the external auditor on a regular basis. The Pouhautū and/or Pouwhakarae will normally be in attendance.
23. TOA may at its discretion, or where thought necessary to properly carry out its functions, meet on its own or with the external Auditor, to the exclusion of all Te Korowai employees.
24. The Pouhautū will be responsible for drawing to the immediate attention of the TOA (as well as the Board as a whole) any material matter that related to the financial condition of Te Korowai, any material breakdown in internal controls and any material event of fraud or malpractice.
25. TOA will report to the Board after each committee meeting via the meeting's minutes with all Independent members appearing together before the Board at least once a year.
26. The agenda and minutes of all TOA meetings is the responsibility of the committee chair, and shall be circulated to external auditors and to such other persons as the Board directs.

RESPONSIBILITIES

27. The responsibilities of TOA are as follows:
 - a. develop a TOA annual work plan, detailing the specific issues to be focused on or addressed at each meeting of the TOA;
 - b. ensure the TOA annual work plan is implemented within agreed timeframes and processes, and report to the Board on the outcomes;
 - c. liaison with internal and external auditors;
 - d. establish and maintain a positive working relationship with the external auditor, including understanding and defining the role of the external auditor;
 - e. review of the annual audit plan with auditors;
 - f. financial:
 - i. assessment of the performance of financial management of Ngāruahine Group;
 - ii. review of audit findings and the annual financial statements;
 - iii. review of interim financial information;

- iv. review of accounting policies;
- v. review of any accounting arrangements for any shared services offerings including any intergroup service level agreements and all transactions between the Trust Entities and related parties and assessment of their propriety;
- vi. oversight of compliance with statutory responsibilities relating to financial and other requirements;
- vii. review of the appointment of the external auditors and their fees;
- viii. recommend the appointment of external auditors and their fees to the Board and Annual General Meeting;
- ix. clear public releases of financial information; and
- x. review adherence to any financial, distribution or reserves policies or strategies set by the Board;

28. quality and risk management systems:

- a. review of risk framework
- b. assessment of the performance of risk management
- c. ensuring that recommendations highlighted in internal/ external quality audit reports are actioned by management;
- d. monitoring of corporate risk assessment and the internal controls instituted;
- e. through discussions with the Pouhautū, accountant and the external auditors, obtain reasonable assurance that the Trust's internal controls and performance monitoring systems are adequate;
- f. review of the internal/external quality auditors and their activities;
- g. bring to the Board's attention all financial matters and potential risks that may affect the current or future position of the Trust;
- h. investigate and recommend to the Board suitable insurance solutions to protect the Trust against risk exposures.
- i. consider the financial implications of new initiatives on both the short and long-term finances of the Trust; and
- j. investigate on behalf of the Board of Trustees anything that threatens or adversely affects the accomplishment of the Trust's aims and objectives, its assets, the reliability of records and information, and its compliance with all relevant laws, regulations, policies and its governing instruments.

29. investment:

- a. oversee and monitor performance and financial management of Te Kīwai Maui o Ngāruahine Limited

- b. supervision of special investigations when requested by the Board; and
- c. any other duties and responsibilities which have been assigned to it from time to time by the Board.

AUTHORITY

- 30. TOA is authorised by the Board to investigate any activity within these terms of reference.
- 31. TOA will have unrestricted access to such other Trustees, directors and employees of the Ngāruahine Group as is necessary to properly carry out its functions.
- 32. TOA is authorised by the Board to contract outside legal or other independent professional advice including attendance at meetings if the committee considers this necessary in fulfilment of its roles and responsibilities within the allocated budget. Should the Board consider it necessary to seek professional advice over and above the budgeted allowance this may be done with the prior approval of the Pouwhakarae, or in the case of any investigation into the Pouwhakarae/the Pouwhakarae and other Trustees, no prior approval is required.

SCHEDULE 2 – Terms of Reference Te Arohaehae Hautū (Pouhautū Review Committee)

POLICY STATEMENT

1. Te Korowai has employment obligations to provide a suitable working environment for all employees. Te Korowai recruits and manages the Pouhautū, the Pouhautū recruits and manages all other employees
2. As a good employer, Te Korowai establishes a sub-committee to carry out reviews of the Pouhautū's performance and remuneration oversee conduct, succession planning and as necessary, oversee the recruitment of the Pouhautū.
3. The creation of Te Arohaehae Hautū (TAH), in accordance with paragraph 7.1 of Schedule 3 of the Trust Deed, does not replace Te Korowai's overall responsibility to ensure the guiding principle of Ngākaunui (sound judgement) is exercised in overseeing accountabilities and performance in key areas that are monitored by TAH as a delegated authority.

PURPOSE

4. The purpose of the TAH is to assist the Te Korowai in discharging its responsibilities as a good employer of the Pouhautū ensuring that the performance of the person in this role contributes to the strategic objectives of Te Korowai and meets Te Korowai's obligations as an employer.

SCOPE

5. This policy applies to Te Korowai and TAH only.

MEMBERSHIP & CHAIR

6. TAH will comprise no less than two and no more than three Trustees, plus the Pouwhakarae as an ex-officio member and an HR consultant.
7. Trustees will be appointed to TAH at the first meeting of the incoming Te Korowai Board following the general election.
8. The TAH chair will be appointed by the TAH Committee, must be a Trustee and endorsed by the Te Korowai Board.
9. Members of TAH who are Trustees will have a term that matches the term of their appointment as Trustees. Trustees may not serve more than three consecutive terms as a TAH member. If a Trustee serves three consecutive terms, they must stand down for a two-year period prior to being eligible for reappointment to TAH.
10. TAH will be responsible for recruiting and appointing the Independent Member for this committee to be endorsed by the Board
11. The chair's responsibilities are to focus on the review period and performance of the Pouhautū and the setting of KPIs. The Pouwhakarae maintains the Board's working relationship with the Pouhautū
12. For the avoidance of doubt, Te Korowai Trustees are not eligible for appointment as an

Independent Member but it does not exclude those who have previously served as Trustees.

13. Independent members shall have four-year terms. Independent members may only serve a maximum of two consecutive terms.
14. Should an Independent member become a Trustee, their appointment as an Independent member of TAH will cease (and a new appointment process must occur) although this does not prohibit that person serving as a Trustee member of TAH.

MEETINGS AND REPORTING

15. The quorum of members for TAH is the majority of members including the Independent member.
16. TAH is a closed committee, and may seek responses from other Board members, Independent members of other Board committees, or hapū chairs on the performance of the Pouhautū. This feedback needs to be sought and handled in a way that meets Te Korowai's obligations under the Employment Relations Act, the Privacy Act and any other applicable legislation.
17. All TAH meetings may be held by video-conference or tele-conference at the discretion of the chair.
18. TAH must seek the view of the Pouwhakarae when managing performance or disciplinary matters.
19. Reasonable notice of meetings and the business to be conducted will be given to TAH members.
20. Meetings will be held at least quarterly with regard to the Pouhautū KPI reporting. Additional meetings may only be convened on the request of TAH chair, Pouwhakarae or Pouhautū.
21. TAH will report to the Board:
 - (a) After each committee meeting via the meetings minutes with all Independent members appearing together before the Board at least once a year;
 - (b) that an annual agreement of key performance indicators (KPIs) has been reached with the Pouhautū for the incoming financial year; and
 - (c) quarterly about progress in achieving those KPIs.
22. The agenda and minutes of all TOA meetings is the responsibility of the committee chair, and shall be circulated to external auditors and to such other persons as the Board directs.

RESPONSIBILITIES

23. The responsibilities of TAH is to assist the Te Korowai Board in its oversight of matters including:
 - (a) developing a TAH annual work plan, detailing the specific issues to be focused on or addressed at each meeting of the TAH;
 - (b) regular monitoring and provision of feedback on the performance of the Pouhautū

including:

- i. reviewing and agreeing the KPIs for the Pouhautū before 31 March each year; and
 - ii. completing a performance review of the Pouhautū during April/May (and completed by 30 May) each year;
- (c) ensuring the Pouhautū is maintaining and overseeing organisational capacity exists to attract, develop and retain staff;
- (d) ensuring successful execution of Te Korowai strategy and provide guidance and external support to the Board through sound performance of the Pouhautū to enable new strategic initiatives to be developed;
- (e) recommending to the Board the remuneration levels, strategy and policy for the Pouhautū;
- i. the Board will engage a remuneration expert to assist (for example, Strategic Pay, HAYS New Zealand, other Iwi); and
 - ii. the review is to happen in accordance with the Pouhautū employment agreement (at least annually).
- (f) informing the Board of KPIs agreed between TAH Chair, TAH members and the Pouhautū; and
- (g) monitoring succession plans for the Pouhautū.
24. TAH will also maintain a watching brief over general remuneration settings and policy for Ngāruahine Group as a whole, although these decisions rest with the Pouhautū.
25. Te Korowai must provide for an open and transparent process to ensure natural justice and procedural fairness for employees faced with potential disciplinary action.
26. Should Te Korowai have reasonable cause to believe that the Pouhautū has acted inappropriately, failed to meet expected standards of performance, breached Te Korowai's policies or procedures, including any employee code of conduct, formal disciplinary procedures may be invoked. Any decision to take formal disciplinary action, is not taken lightly.
27. It is the responsibility of TAH to ensure that any issues arising from the Pouhautū employment are addressed appropriately and timeously. TAH will keep the Pouwhakarae informed of such matters. Any final decision on the potential outcome of any disciplinary action will rest with the Board.
28. Where a process for dealing with any of these matters is described in an employment agreement, the provisions of that employment agreement will apply in conjunction with this terms of reference.

AUTHORITY

29. TAH is authorised by the Board to investigate any activity within these terms of reference.
30. TAH shall have unrestricted access to such other Trustees, directors and employees of the Ngāruahine Group as is necessary to properly carry out its functions.
31. TAH is authorised by the Board to contract outside legal or other independent professional

advice including attendance at meetings if the committee considers this necessary in fulfilment of its roles and responsibilities within the allocated budget. Should the Board consider it necessary to seek professional advice over and above the budgeted allowance, this may be done with the prior approval of the Pouwhakarae.

32. TAH is authorised to undertake the review of the Pouhautū remuneration in line with frequency of reviews set out in the employment agreement on at least an annual basis.
33. TAH must refer to the Trust Deed and this Charter whenever acting under this terms of reference.

SCHEDULE 3 – Terms of Reference

Te Ira Auaha (Nominations & Governance Committee)

POLICY STATEMENT

1. The creation of TIA in accordance with paragraph 7.1 of Schedule 3 of the Trust Deed does not remove the requirement for the full Board to take an active role in ensuring the guiding principle of Ngākaunui (sound judgement) is exercised, and overseeing accountabilities and performance in key areas that are also monitored by TIA.

PURPOSE

2. Te Ira Auaha (**TIA**) is committed to recruit high caliber individuals to fulfil governance roles on Board committees, Subsidiaries and other external organisations for which Te Korowai has a power of appointment.
3. To build the capacity and capability of Ngāruahine where governance roles for Ngāruahine are filled by competent candidates.
4. To identify prospective candidates and assist with succession planning for Board committees, Subsidiaries, external boards, committees, trusts and other groups where Te Korowai has a power of appointment.

SCOPE

5. This policy applies to the Te Korowai and TIA only.

MEMBERSHIP & CHAIR

6. TIA will comprise no less than three trustees plus the Pouwhakarae as an ex-officio with a minimum of one Independent member.
7. Trustees will be appointed to TIA at the first meeting of the incoming Te Korowai Board following the general election.
8. The TIA chair will be appointed by the TIA Committee, must be a Trustee and endorsed by the Te Korowai Board.
9. In appointing the Independent member of TIA, the Board must ensure that at no time will the number of Independent members exceed the number of Te Korowai Trustees appointed to TIA.
10. Members of TIA who are Trustees will have a term that matches the term of their appointment as Trustees. Trustees may not serve more than three consecutive terms as a TIA member. If a Trustee serves three consecutive terms they must stand down for a two year period prior to being eligible for reappointment to TIA.
11. TAH will be responsible for recruiting and appointing the Independent Member for this committee to be endorsed by the Board
12. For the avoidance of doubt, Te Korowai Trustees are not eligible for appointment as an Independent Member but it does not exclude those who have previously served as Trustees.

13. Independent members shall have four-year terms. Independent members may only serve a maximum of two consecutive terms.
14. Should an Independent member become a Trustee, their appointment as an Independent member of TOA will cease (and a new appointment process must occur) although this does not prohibit that person serving as a Trustee member of TIA.

MEETINGS

15. The quorum of members for TIA is the majority of members including the Independent member.
16. All TIA meetings may be held by video-conference or tele-conference at the discretion of the chair.
17. Reasonable notice of meetings and the business to be conducted will be given to TIA members.
18. Meetings will be held at least quarterly. Additional meetings may only be convened on the request of TIA chair.
19. TIA will report to the Board after each committee meeting via the meetings minutes with all Independent members appearing together before the Board at least once a year;
20. The agenda and minutes of all TOA meetings is the responsibility of the committee chair, and shall be circulated to external auditors and to such other persons as the Board directs.

RESPONSIBILITIES

21. TIA will assist the Te Korowai Board in its oversight of matters including:
 - (a) developing a TIA work plan, detailing specific appointments to be made in the coming year; and
 - (b) preparing and maintaining a list of committees and appointees which is to be reviewed annually.
22. TIA may recommend candidates to fill vacancies matching criteria, skills, knowledge, independence, experience and diversity for a particular appointment.
23. TIA may assist with terms of reference and job specification for appointments to positions external to the Trust Entities (for example, South Taranaki District Council) if requested by other committees, may make recommendations concerning the reappointment of any existing appointee at the conclusion of his or her specified term of office.
24. A list of committees and appointees is to be kept and reviewed annually.
25. TIA may call for expressions of interest and maintain a register of competent persons interested in being considered for governance positions where Te Korowai has a power of appointment.

AUTHORITY

26. TIA may consult with such other Trustees, directors and employees of the Ngāruahine Group as is necessary to properly carry out its functions.

27. TIA is authorised by the Board to contract outside legal or other independent professional advice including attendance at meetings if the committee considers this necessary in fulfilment of its roles and responsibilities within the allocated budget.

REVIEW

28. This terms of reference must be reviewed within 12 months before convening a general election.

COMMITTEES AND APPOINTMENTS AS AT JULY 2019

Te Korowai o Ngāruahine Trust
Te Kiwāi Matau o Ngāruahine Charitable Trust
Te Kiwai Maui o Ngāruahine Limited
Te Rere o Kapuni Limited
Ngāruahine Fisheries Limited
Te Korowai o Ngāruahine Custodian Trustee Limited
Te Ohu Arotake (TOA) Audit and Risk Committee
Te Arohaehae Hautū (TAH) Review Committee
Te Ira Auaha (TIA) Nomination and Governance Committee
Te Korowai Iwi Members Committee

Te Korowai appointments to other Organisations

South Taranaki District Council – Iwi Liaison Committee

Non-Te Korowai Appointments

Te Whare Punanga Korero
Te Reo Irirangi o Taranaki
Taranaki Regional Council
Te Reo o Taranaki Trust
Taranaki Maunga Negotiations Team