



Asia New Zealand
Foundation

Asia New Zealand Foundation

Board Charter

March 2017

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1. History and background

- 1.1 A trust deed dated 7 September 1994 established and governed the operation of the Asia 2000 Foundation of New Zealand (Asia 2000). It was established as an entity under the 4th Schedule of the Public Finance Act.
- 1.2 This initial trust deed was amended in January 2000 and a name change became effective on 1st December 2004, changing the name to the Asia New Zealand Foundation (the Foundation).
- 1.3 The Consolidated Deed of Trust, dated 31 January 2000, stated under clause 4.1 that the governing body of the Trust shall be the Board of Trustees and it shall be responsible for the control, management and administration of the Trust's affairs and the Trust Fund.
- 1.4 The HSR Governance Limited report, published in April 2007, (clause 1.3.4, Section 6.2.2.2 and Appendix 5) recommended that a new two tier governance structure be adopted.
- The first tier was called the full Board and was made up of between eight and twenty-one Trustees;
 - The second tier was called the Executive Committee and was made up of between five and seven Trustees from within the full Board;
 - Both committees were chaired by the same person.
- 1.5 In 2016 the Board gave consideration to reducing the number of Trustees on the Board. In order to facilitate this a number of changes to the Trust Deed and governance structure were required.
- 1.6 The Trust Deed allows the Board to appoint committees for such purpose and period as it may determine appropriate. The members of these committees are then delegated certain authorities and responsibilities. The key delegations made are to the following parties:
- Audit and Risk Committee; and
 - Executive Director.
- Any delegations made to these parties or any other committee formed must be in compliance with the Trust Deed.
- 1.7 This document records the principles by which that delegation is made and the respective responsibilities and powers of the full Board, the Audit and Risk Committee and the Executive Director, in the interests of clarity and good governance.

2. Board charter

2.1 Board composition and performance

- 2.1.1 The Trustees of the full Board are appointed by the Cabinet Policy Committee following recommendation by the responsible Minister.
- 2.1.2 In respect of each appointed Trustee, the person concerned may, with the agreement of the Chairperson of the Board, occasionally appoint in writing a person to act on his or her behalf.
- 2.1.3 The Board of Trustees is normally expected to consist of eight (8) Trustees but may at the Responsible Minister's discretion, extend up to eleven (11) Trustees. The Secretary – Ministry of Foreign Affairs and Trade will be an "ex-officio" Trustee.
- 2.1.4 In recognition of the stakeholder relationship of New Zealand Trade and Enterprise and the Ministry of Education to the Foundation, the Chief Executive Officer of New Zealand Trade and Enterprise and the Secretary of the Ministry of Education may attend and speak at any Board meeting and for that purpose will be sent Board papers ahead of each Board meeting.
- 2.1.x The responsible Minister will appoint the Chairperson by way of letter addressed to the full Board.
- 2.1.5 The Chairperson will recommend up to two Trustees from the full Board to act as Deputy Chairpersons. This recommendation must be ratified by the full Board. The Deputy Chairperson(s) shall hold office, unless otherwise determined, until expiry of their trusteeship.
- 2.1.6 Trustees are subject to reappointment every 3 years. The "ex officio" Trustee is in effect appointed by virtue of his or her position.
- 2.1.7 The Board may recommend to the responsible Minister the removal of any Trustee before the expiration of his or her term of office. Grounds for removal will include, but will not be restricted to:
- being convicted of an indictable offence; and/or
 - becoming a committed patient under the Mental Health Act 1992.
- 2.1.x The Board may co-opt Persons who are not Trustees to attend any meetings of the Trustees. Any such Person will have a right to speak at any meeting of the Trustees, but not to vote.

2.2 Secretarial and meetings

- 2.2.1 Meetings of the full Board shall take place at least four times annually and at other times as required. One of these meetings shall be the Annual General Meeting (AGM).
- 2.2.2 Meetings will be scheduled at such times and places as the Chairperson shall advise. The Chairperson will also call a meeting of the full Board upon a request in writing by three or more of the Trustees.
- 2.2.3 The full Board meetings shall comprise Trustees, with the Executive Director and Deputy Executive Director ordinarily in attendance. External advisors, senior managers or other persons may attend by invitation.
- 2.2.4 A Board Secretary will be appointed by the full Board on the recommendation of the Executive Director. This Secretary will act on behalf of all other committees of the Board. In the case of absence of the Secretary, a substitute may be nominated by the Executive Director.
- 2.2.5 The Secretary will be responsible, in conjunction with the Executive Director and Chairperson, for drawing up the agenda and any supporting papers and circulating them. This information shall be provided to each Trustee at least five working days prior to the meeting.
- 2.2.6 A timetable and summary of key agenda items for each meeting will be distributed by the Board Secretary, soon after the AGM.
- 2.2.7 The Secretary records the minutes of all full Board meetings and ensures that the minutes are circulated to Trustees, in a timely fashion.
- 2.2.8 At each meeting of the full Board, five Trustees present shall form a quorum. No business shall be transacted at any full Board meeting in the absence of a quorum.
- 2.2.9 Trustees unable to attend a full Board meeting will advise the Chairperson as early as possible and confirm in writing to the Secretary.

2.3 Role of the full Board

Section 5 of the Trust deed states the Board of Trustees “will be responsible for the control, management and administration of the Trust’s affairs and the Trust Fund”.

The role of the board is therefore governance and leadership. It fulfils this role by:

- 2.3.1 advancing the mission and establishing the long term goals of the Foundation;
- 2.3.2 setting the strategic plan to achieve the long term goals;
- 2.3.3 monitoring implementation of the strategy and agreeing operating plans and budgets;
- 2.3.4 reviewing the Foundation's performance against its strategic objectives;
- 2.3.5 approving and monitoring the Foundation's financial and other reporting;
- 2.3.6 approving transactions relating to capital expenditure above delegated authority limits;
- 2.3.7 facilitating and approving annual reporting as required by and in accordance with the Foundation's obligations under the Crown Entities Act 2004;
- 2.3.8 ensuring there are adequate resources to meet the long term goals;
- 2.3.9 ensuring there are adequate controls in place to safeguard the Trust Fund and other assets of the Foundation;
- 2.3.10 appointing and removing the Executive Director;
- 2.3.11 mentoring, monitoring and evaluating the Executive Director;
- 2.3.12 directing, when necessary, the Executive Director to act in the best interests of the Foundation;
- 2.3.13 approving key contractual obligations or commitments to be entered into by the Foundation;
- 2.3.14 delegating operational matters and authority to the Executive Director. This includes reviewing and amending the delegations authority on an annual basis;
- 2.3.15 reviewing and recommending amendments to the governance documents when necessary, including the Trust Deed, terms of reference for committees, Code of Integrity & Conduct and Interest register;
- 2.3.16 fostering constructive relationships that encourage both on shore and off shore entities to engage with the Foundation;

- 2.3.17 providing advice, advocacy and influence to advance the Foundation's mission;
- 2.3.18 accepting collective responsibility for all decisions made; and
- 2.3.19 any other matters within the Board's authority under the Trust Deed.

2.4 Role of the Chairperson and Deputy Chairpersons

The chairperson plays a leading role in the process of advancing the mission of the Foundation. The chairperson's key responsibilities are:

- 2.4.1 representing the full Board to the Minister, stakeholders and the public;
- 2.4.2 being familiar with the foundation documents of the Foundation to ensure board meetings and other matters are properly conducted;
- 2.4.3 ensuring the effectiveness and integrity of the governance process of the full Board. This includes ensuring that the board sets outcomes for the organisation and is involved in and 'owns' the strategy of the Foundation;
- 2.4.4 recommending to the responsible Minister the appointment of new Trustees and considering succession planning. The Chairperson will also monitor and evaluate individual board member performance and board performance as a whole;
- 2.4.5 chairing meetings of the full Board to ensure that no Trustee dominates discussion, that appropriate discussion takes place and that relevant opinion amongst Trustees is forthcoming. This also includes ensuring that discussions result in logical and understandable outcomes;
- 2.4.6 reviewing minutes of meetings to ensure they accurately reflect the issues discussed and decisions reached;
- 2.4.7 maintaining regular dialogue with the Executive Director in order to be informed about operational matters being overseen by the Executive Director, and consulting with the remainder of the full Board promptly over any matter that gives them cause for major concern;
- 2.4.8 promoting a productive and positive Board culture; and
- 2.4.9 initiating establishment of committees, to be appointed by the Board in accordance with the Trust Deed, nominating those who should serve on them and ensuring that committees achieve their objectives and operate

within the limits of their delegated authorities.

2.5 Role and responsibility of Trustees

Trustees are bound by the Trustee Act 1956 and the Trust Deed. The obligations under the Trustee Act 1956 will override the provisions in the Trust Deed in the event of conflict.

- 2.5.1 Trustees will use their best endeavours to attend full Board meetings and to prepare thoroughly. Trustees are expected to participate fully, frankly and constructively in full Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the full Board table.
- 2.5.2 On their appointment, Trustees should have the benefit of an induction programme aimed at deepening their understanding of the Foundation and the environment in which the Foundation operates.
- 2.5.3 Trustees should possess a broad range of skills, qualifications and experience.
- 2.5.4 The Board expects Trustees, both individually and collectively, to act ethically and in a manner consistent with the mission of the Foundation.
- 2.5.5 Trustees should be diligent and devote sufficient time to make and keep themselves familiar with the nature of the Foundation's business and the environment in which it operates. They should be aware of all statutory and regulatory requirements affecting the Foundation. These are recorded in the separate legislative compliance document.
- 2.5.6 Trustees must observe the confidentiality of non-public information acquired by them as Trustees and not disclose it to any other person without the authority of the full Board.
- 2.5.7 A Trustee may resign by giving written notice to the Chairperson, who will advise the Minister.
- 2.5.8 Each Trustee will be given the opportunity to provide a full exit debriefing to either the Chairperson, the relevant Board committee, or if required, an independent third party upon termination of their engagement with the full Board.
- 2.5.9 A Trustee must return all papers relating to the Foundation full Board meetings at the termination of their Trusteeship.
- 2.5.10 The full Board will make provision for succession planning, with possible new Trustees identified along the key dimensions of ability, willingness to

contribute and affinity with the full Board culture.

2.6 Declarations of interest

2.6.1 Any Trustee is, while holding office, at liberty to accept other Board appointments provided the appointment is not in conflict with their duties for the Foundation.

2.6.2 Declarations of interest are separately dealt with under the Declaration of Interest policy.

2.7 Board procedures

2.7.1 The Board has sole authority over its agenda and exercises this through the Chairperson. Any Trustee may request the addition of an item to the agenda. The agenda will be set by the Chairperson in consultation with the Executive Director.

2.7.2 Board discussions will be open and constructive, recognising that genuinely held differences of opinion can, in such circumstances, bring greater clarity and lead to better decisions. The Chairperson will nevertheless, seek a consensus in the Board, but may, where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is specific direction from the Board to the contrary, or disclosure is required by law.

2.7.3 Trustees are entitled to have access, at all reasonable times, to all relevant Foundation information and to management.

2.8 The Boards' relationship with key stakeholders

The full Board will use its best endeavours to familiarise itself with issues of concern to key stakeholders. Key stakeholders include:

- the responsible Minister;
- the Ministry of Foreign Affairs and Trade;
- corporate sponsors; and
- other sponsors.

2.8.2 The full Board will allocate time and resources to provide key stakeholders with clear, plain language explanations of performance, strategies and goals, and identified material risks.

2.9 Board committees

- 2.9.1 To assist the full Board and to facilitate its processes it will delegate particular functions to committees composed of selected full Board Trustees and any other co-opted persons who are not members of the Board.
- 2.9.2 The full Board has one standing committee, namely the Audit and Risk Committee (the Committee). Other committees may be formed for specific purposes and disbanded as required.
- 2.9.3 The full Board will review the performance of each committee annually.
- 2.9.4 Other Trustees may attend committee meetings by invitation from the Chairperson.

2.10 Audit & Risk Committee

- 2.10.1 The Audit & Risk Committee shall consist of a minimum of three Trustees. At least one member of the Committee shall have an accounting or financial background. The Committee may co-opt other members who are not members of the Board where necessary.
- 2.10.2 The Chairperson shall recommend the appointment of Trustees to the Audit & Risk Committee and the decision shall be ratified by the full Board.
- 2.10.3 The Chairperson of the Audit & Risk Committee shall not be the Chairperson of the Board.
- 2.10.4 The Audit & Risk Committee provides a forum for effective communication between the Board and external auditors, and reviews accounting policies, the quality of financial management, annual and half-yearly financial statements, management information systems, internal control systems, external and internal audit functions, external and internal risk management functions, and treasury policy.
- 2.10.5 The objectives, composition, term of office, duties and responsibilities of the Audit & Risk Committee shall be those set out in the Audit & Risk Committee terms of reference.
- 2.10.6 The Executive Director is charged with implementing appropriate risk management systems within the Foundation. As part of the Executive Director's monthly report to the Board, he will report on these risk systems

and their continuing effectiveness and appropriateness.

2.11 Code of Integrity and Conduct

2.11.1 As part of the Board's commitment to maintaining high standards of behaviour and accountability, the Foundation adopts a written Code of Integrity and Conduct to guide Trustees, management and all staff in carrying out their duties and responsibilities.

2.11.2 The Board reviews the Code and compliance with the Code and prescribes measures for dealing with breaches.

2.12 Provision of business or professional service by Trustees

2.12.1 Because of the potential for conflict of interest Trustees should not, generally, provide business or professional services of an ongoing nature to the Foundation. Notwithstanding this, the Foundation can engage such services:

- for the purpose of a special assignment, where a Trustee has special expertise in the particular field; or
- with another member of the Trustee's organisation.

In such instances the Board must be satisfied that:

- the terms of engagement are fair and reasonable to the Foundation; and
- any conflict is fully disclosed and suitably managed.

2.12.2 The separate Declaration of Interest policy deals specifically with identifying and managing conflict of interest situations.

2.13 Indemnities and insurance

2.13.1 The Foundation will provide Trustees with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as Trustees, within the limits provided by any applicable legislation.

3. Delegated authority

3.1 Delegation by the Board

3.1.1 To facilitate day-to-day operations of the Foundation the Board has delegated certain governance responsibilities to the Audit & Risk

Committee and Executive Director.

- 3.1.2 The Committee and the Executive Director, in carrying out these responsibilities, will ensure that the activities are carried out:
- within the Mission and Objects of the Trust; and
 - with regard to the best interests of the Foundation and its sponsors.
- 3.1.3 The Audit & Risk Committee and Executive Director shall exercise delegation in accordance with the Delegations Authority as approved by the Board.

3.2 Executive Director responsibilities

The terms and conditions of the Executive Director are set out in the employment contract. The position description for this role details the key accountabilities of the position. In addition, the Executive Director is expected to:

- 3.2.1 Act within all specific authorities delegated by the full Board.
- 3.2.2 In allocating the capital and resources of the Foundation the Executive Director is expected to adhere to the Foundation's goals and not cause or permit any action without taking into account the health, safety, environmental consequences and their effect on the long term future of the Foundation.
- 3.2.3 In financing the Foundation the Executive Director is expected not to cause or permit any action that is likely to result in the Foundation becoming unable to pay its debts in the normal course of business, or its liabilities (including contingent liabilities) becoming greater than the value of its assets.
- 3.2.4 The assets of the Foundation are expected to be adequately maintained and protected, and not unnecessarily placed at risk. The Foundation must be operated within a comprehensive system of internal control, and assets or funds must not be received, processed or disbursed without controls that, at a minimum, are sufficient to meet standards that are acceptable to the external auditors.
- 3.2.5 The Executive Director is required to promptly report any material departure from Board decisions or policy, and any acts or omissions that may create material risk for the Foundation or an adverse perception to the public generally.
- 3.2.6 The Executive Director will report to the full Board at each of their meetings, in a format agreed with the Board.
- 3.2.7 The Executive Director and the Accountant will annually provide a letter of

representation to the Board stating that the Foundation's financial reports present a true and fair view, in all material respects, of the Foundation's financial condition and operational results and are in accordance with relevant accounting standards.

- 3.2.8 The Executive Director and the Accountant shall also provide a letter to the Board confirming that the integrity of the financial statements is founded on a system of risk management and internal compliance and control which implements the policies adopted by the Board. In addition confirming that the Foundation's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.
- 3.2.9 The Chairperson will agree with the Executive Director to specific key performance indicators directed towards the Foundation's goals. This will usually take the form of an annual performance agreement.
- 3.2.10 The Chairperson will conduct a formal performance review of the Executive Director annually, and the Executive Committee will review performance informally on a more routine basis during the normal course of business.

3.3 Monitoring and reporting

The full Board is required to monitor the performance of the Foundation and will do this as follows:

- 3.3.1 Between board meetings, the Chairperson will maintain an informal link between the full Board and Executive Director and expects to be informed by the Executive Director on all important matters.
- 3.3.2 Issues presented to the full Board for decision/information will contain management recommendations and all necessary supporting material that is relevant to the issue. It will be clearly and concisely presented, with external advice as appropriate.
- 3.3.3 The full Board (including any committee) shall have access to any employee if the full Board or committee thinks it necessary to do so.

4. Review

- 4.1 The full Board will undertake a periodic self-review of its objectives and responsibilities.

5. Approval and amendments

This document was approved by the Board on 1 March 2017. It will be reviewed every three years or sooner if required by legislation changes.