

## **GOVERNANCE STATEMENT**

The Trustees of NEST acknowledge and support the need for the highest standards of corporate governance, practice and ethical conduct by all of our Trustees and employees of the Trust.

The Trustees endorse the principles embodied in the New Zealand Institute of Directors Code of Best Practice for New Zealand Directors.

The Trustees recognise that good governance is not merely a matter of achieving legislative compliance but also of ensuring that exemplary standards and behaviour are attained.

We believe this involves building and maintenance of a culture of responsibility, accountability, fairness and transparency and to consider the interests of all stakeholders as appropriate.

The Trustees have an objective of ensuring that all issues within the Trust are dealt with in a manner which if subject to scrutiny will reinforce or enhance the reputation of the Trust and those involved.

The Trustees seek at all times to ensure that the Trust is properly governed in accordance with the principles of corporate responsibility. Safety is a vital part of our operations and we support regulatory oversight of our activities that sustain our safety practice.

### **1. ROLE OF TRUSTEES**

The Board is responsible for setting strategy and objectives for NEST. It is the Trustees responsibility to monitor management's operation of the business.

### **2. RESPONSIBILITY OF TRUSTEES**

In fulfilling their role, the responsibilities and duties of the Trustees include:

- Setting and reviewing strategic direction.
- Approving income and expenditure estimates.
- Approving pricing requirements.
- Approving capital expenditure.
- Evaluating the performance of the Chief Executive Officer (CEO).
- Determining the terms, conditions and remuneration package for the CEO.
- Planning for executive succession.
- Regularly monitoring and reviewing financial performance.
- Approving budget revisions.
- Monitoring compliance with regulatory and legislative requirements.
- Establishing and maintaining appropriate risk management strategies.
- Reporting financial results.
- Defining the scope of the external audit function.

Responsibility for day-to-day management and administration delegated by the Trust Board to the CEO, who manages in accordance with strategy and delegations approved by the Board.

### 3. BOARD VALUES & EXPECTED BEHAVIOURS

A well-functioning and effective board will only become that way if the board culture and tone of meetings stimulates those board member's involvement.

"Good governance is ultimately about culture and behaviour, it's not about rules and regulations. It's the way people work together. The most pressing need is for boards to be strong, high functioning work-groups whose members trust and challenge each other and engage directly with senior managers on critical issues facing the organisation."

For this to occur, the NEST board has identified and agreed on a set of values to guide boardroom behaviour. Consistent adherence to these behaviours by all board members is critical to maintaining the desired culture within the board:

- **Behave consistently** – board culture is compromised when board members behave inconsistently
- **Demonstrate integrity** – high ethical standards and integrity should be observed
- **Think independently** – members should make up their own mind rather than follow consensus
- **Display courage** – ask tough questions and dare to be the voice of constructive dissent; have the courage to hold others accountable for behaviour that is not consistent with these values
- **Treat others with respect** – engage constructively with others in a way that respects and gives a fair hearing to their opinions
- **Participate** – enhance the quality of deliberations by actively asking questions and offering comments that add value to the discussion; be fully prepared, punctual and regularly attend board meetings
- **Think strategically** – keep the big picture in mind by consistently referring to strategic outcomes rather than delving into operational matters
- **Get to know others** – trust, candour and openness will follow if members truly know what makes other members tick
- **Speak with one voice** – act on, and remain collectively accountable for, all decisions even if individual members disagree with them

It is every board member's responsibility to not only adhere to these values themselves, but to hold others accountable when any of the values have been breached.

### 3. BOARD MEMBERSHIP

NEST is governed by a Board of Trustees pursuant to an amended Trust Deed dated 30/04/2013. The Trustees are appointed pursuant to the terms of the Trust Deed. Clause 6.2 of the Trust Deed allows for not less than five (5) and not more than eight (8) trustees. The trustees are appointed by the members of the existing board on the basis of having the necessary technical skills to fulfil the objects of the Trust.

### 4. BOARD OPERATION

The Chairman fulfils a leadership role in the conduct of the Board and its relationship with other major stakeholders. The Chairman also maintains a professional liaison with the Chief Executive to ensure compliance with the Board's policies and objectives.

Procedures for operation of the Board including the appointment and removal of Trustees are governed by the Trust Deed.

All new Trustees undertake an induction process at the time of their appointment to the Board to familiarise them with matters relating to NEST including current issues before the Board, fundraising and the operations generally.

## **5. BOARD MEETINGS**

The Board meets on a bi-monthly basis.

Additional meetings are convened as and when required.

The Board's annual programme and agenda for the meetings is determined by the Chairman in conjunction with the CEO.

Trustees receive an agenda in advance of Board meetings containing standard and special items. Attached to the agenda are:

- (a) Minutes of the previous meeting.
- (b) Management reports from the CEO.
- (c) A finance report including current bank balances, cashflow & budget variance.

Management are regularly involved in Board discussions and Trustees have other opportunities to gain information through regular visits and meetings to NEST.

## **6. AUDITOR**

The Trust Board undertakes to audit its accounts annually and a resolution to this effect is noted in the minutes accordingly.

## **7. BOARD ATTENDANCE**

Details of Board meeting attendance by Trustees during the year are recorded in the board minutes.

## **8. CONFLICTS OF INTEREST**

There are two steps for a Trustee to take in ascertaining the existence of conflict:

1. Identifying and disclosing the conflict of interest to the board.
2. Deciding what action (if any) is necessary to take.

While the identification and disclosure of the conflict is the Trustee's primary responsibility, the board is primarily responsible for the decision about the action to be taken to mitigate risk and avoid harm.

NEST relies on contractual arrangements with key stakeholders to sustain its funding base and as a source of information about the external environment. This means that the possibility for conflict of interest is present, particularly at key points of the financial cycle.

When any conflict of interest situation arises Trustees are required to observe the following procedures:

1. To disclose any actual or potential conflicts of interest which may exist as soon as they become aware of the issue;
2. To take necessary and reasonable measures in accord with the NEST Code of Conduct to resolve such conflict; and
3. To follow the guidelines of the Institute of Directors.

Conflicts of interest are recorded in an interests register which is updated at each board meeting.

## **9. STAKEHOLDERS**

It is the view of the Trust Board that the stakeholders play an integral part in NEST.

We endeavour to keep stakeholders informed through:

- Published financial reports.

- Special meetings as required, as well as regular informal liaison.
- Briefings as required by representatives of the Board.

## **10. RISK MANAGEMENT**

The Board has overall responsibility for the Trust's systems of financial and operational control.

The Board ensures that recommendations made by the external auditors, and other external advisers, are carefully considered and that appropriate action is taken to ensure that the Trust has an adequate control environment to manage the risks identified.

Risks to the Trust are assessed regularly including through:

- Prudent site management.
- Meetings between relevant staff.
- Management meetings which address current and ongoing issues
- Separate emergency preparedness plans.
- Review and audit of disaster recovery procedures.
- Training
- Health and safety awareness

### **Adopted by NEST's Board of Trustees on 31/08/2023**

Policy Title	Governance Statement
Policy Owner	Chairman
Date Policy Created	30/04/2013
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