



Board Charter

Description: Board Charter of the Ngāti Whātua Ōrākei Trust
Approved by: Ngāti Whātua Ōrākei Trustee Limited Board Resolution
Date: 8 February 2019

1 Purpose

- 1.1 As specified in the Ngāti Whātua Ōrākei Trust Deed, Ngāti Whātua Ōrākei Trustee Limited (“NWOT” or the “Company”) is mandated to carry out the Trust’s Purposes – refer section 2.3 and 2.4 of the Trust Deed.
- 1.2 This Board Charter sets out the authority, responsibilities, membership and operation of the Board of Directors of NWOT. It also clarifies the authority of Committees established by the Board (“Board Committees”) and the relationship between the Board, the Chief Executive Officer of the Trust (“CEO”) and the CEO’s Executive team (together “Management”).
- 1.3 This document must be read in conjunction with the Constitution of Ngāti Whātua Ōrākei Trustee Limited and the Ngāti Whātua Ōrākei Trust Deed 2011 (“Trust Deed”).

2 Definitions

- a) “Board” – the Board of Directors of Ngāti Whātua Ōrākei Trustee Ltd
- b) “Members” – being members of Ngāti Whātua Ōrākei as defined in section 1.1 of the Trust Deed
- c) “Trust” – the Ngāti Whātua Ōrākei Trust established by the Trust Deed
- d) “Trust Deed” – the Deed of settlement of the Ngāti Whātua Ōrākei Trust, dated 3 November 2011
- e) “Group” – NWOT and all subsidiaries



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3 Relevant Legislation and Authoritative Guidance

- a) Companies Act 1993
- b) Ngāti Whātua Ōrākei Claims Settlement Act 2012
- c) Ngāti Whātua Ōrākei Trust Deed dated 3 November 2011
- d) Constitution of Ngāti Whātua Ōrākei Trustee Ltd, dated 10 August 2012
- e) The Four Pillars of Governance Best Practice, Institute of Directors, 2014
- f) The Board Meetings Practice Guide, Institute of Directors, 2015

4 Matapono and Commitment

4.1 The Directors and Management of NWOT are committed to the highest standards of corporate governance and ethical behaviour. This includes acting in a way that reflects our matapono which are outlined below:

a) Rangatiratanga

Kia whakatinana i ngā āhuetanga tika o te rangatiratanga puta noa te hapū Manaakitanga

To live and practise positive leadership throughout the hapū

b) Manaakitanga

Ko te whānau kei te pokapū o ngā kaupapa manaaki a te poari. Whai muri, kia rongo ngā hau e whā i te kakara o te manaaki o Ngāti Whātua Ōrākei

Whānau are the core focus of hapū development. Our host responsibility to others will positively reflect our role as tangata whenua

c) Whanaungatanga

Kia kitea te mana me te tapu o ia kāwai heke i heke iho ai i a Tūperiri hei rangitāmiro i a tatou

To embrace and acknowledge the importance of our whakapapa and relationships and how these binds us together

d) Kotahitanga

Kia kotahi te tū kia kotahi te hoe

Stand as one and work together

e) Kaitiakitanga



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Kia tiakina ō tātou whānau, ō tātou whenua, ā tātou taonga me ā tātou rawa mō āke tonu atu

To protect our people, our lands, our resources and our taonga forever

f) Mana Taurite

Kia taurite te whai wāhi atu o ngā uri ki ngā painga me ngā angitu

All hapū members have equal access to benefits and opportunities

g) Ahi kaa

Kia kōwhiuwhiutia tonutia te ahi kā, kei pūrēhua, ā, ka kewa

To uphold the unique and important role that Orākei papakāinga maintains across Tāmaki Makaurau

h) Wairuatanga

Ko tō wairua ki te Atua, nāna nei ngā mea katoa

Spirituality is a key component of our identity and wellbeing

4.2 The Board will work to continuously improve governance as is appropriate for an organisation that represents the interests of members of the Ngāti Whātua Ōrākei Trust.

4.3 Each Director will (when acting as a Director of NWOT) conduct himself or herself in accordance with his or her legal duties and other obligations, including NWOT’s Code of Conduct, the duty to act in good faith and in what the Director believes to be the best interests of the Company.

5 Delegations

5.1 The Board delegates to the CEO, responsibility for implementing the Board agreed strategy and for managing the day-to-day operations of the Company. The CEO is, in turn, expected to delegate some of those powers to management. The Board is responsible for monitoring those delegations.

5.2 Further delegations may be made as outlined in the Board’s “Financial Delegations” policy.

6 Governance Roles

6.1 Board

- a) The Board is comprised of elected representatives determined in accordance with Schedule 2 of the Ngāti Whātua Ōrākei Trust Deed.
- b) The Board has overall responsibility for the strategy, culture, governance, and performance of the Company working with, and through, the CEO.



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6.2 Chair

- a) The Chair and Deputy Chair are elected by the Board in accordance with section 4 of Schedule 3 of the Ngāti Whātua Ōrākei Trust Deed.
- b) The Chair's role is to manage the Board effectively and provide leadership. The Chair is separate from the CEO. The relationship between the Chair and CEO is important as it facilitates effective working relationships between the Board and Management.

6.3 Chief Executive Officer

- a) The Chief Executive Officer of the Trust ("CEO") is appointed by the Board and is responsible and accountable to the Board.
- b) The CEO is responsible for providing leadership which shapes culture and drives high performance within the Company and Group that develops trust with whanau and ensures the Company's ability to deliver on its strategy.
- c) The CEO attends all meetings of the Board and Committees, except for meetings that are expressly held without Management.

7 Board Responsibilities

7.1 It is the Board's responsibility to take appropriate steps to protect and enhance the value of the assets of the Company and Group and to discharge the Purposes of the Trust as outlined in the Ngāti Whātua Ōrākei Trust Deed. The Board will ensure that at the heart of the Company there is a culture of honesty, integrity and excellent performance.

7.2 Specifically, the Board will:

- a) Ensure that appropriate systems and processes are in place so that the business of the Company is conducted in an honest, ethical, responsible and safe manner;
- b) Oversee the overall conduct of the business and ensure that it is being effectively managed;
- c) Ensure that effective audit, risk management and compliance systems are in place to protect the Company's assets and to minimise the possibility of the Company operating beyond the remit of the Trust Deed or beyond acceptable risk parameters;
- d) Provide strong leadership and proactive oversight on all matters relating to health and safety. This will be achieved by each Director:
 - acquiring and maintaining up-to-date-knowledge about health and safety matters;
 - becoming personally aware of the nature of the Company's operations and generally of the hazards and risks associated with those operations;
 - ensuring that there are adequate funds and resources to operate the business safely;
 - monitoring the Company's performance and that of management according to



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- health and safety goals and targets;
 - reviewing any serious incidents and considering the adequacy of management actions in response;
 - ensuring that management develops, implements, audits and regularly reviews and updates the Company's health and safety management system consistent with accepted standards;
 - reviewing the Company's health and safety system and all policies annually, or at any time considered necessary, such as after a serious incident; and
 - attending to any other health and safety matter that the Board considers prudent from time to time.
- e) Support, monitor and assess the performance of any subsidiary Boards. This involves responsibility for recruitment of the subsidiary independent and whanau Directors, authorising annual plans as consistent with expectations and receiving timely reporting in order to assess performance against plan;
- f) Appoint, and if necessary, remove the CEO and oversee succession plans for the senior executive team;
- g) Conduct an annual review of the CEO's performance to ensure that he or she is providing the best leadership for the Company in the long and short-term;
- h) Be actively engaged in directing and approving the strategic planning of the Company and monitoring management's implementation of the strategies having regard to the continued ability of the Company to respond to change;
- i) Analyse and review material acquisitions, divestments and capital expenditure;
- j) Set delegated financial authority levels for the CEO;
- k) Review and approve the subsidiary annual plans and budgets, and monitor financial performance and the integrity of reporting;
- l) Act in such a way that Board meetings and discussion promote focused debate within a supportive team atmosphere;
- m) Ensure all Board Directors attend all meetings having read papers in advance and are prepared to participate fully in discussion and decision making;
- n) Ensure effective and timely reporting to whanau; and
- o) Safeguard and enhance the image and reputation of the Company.

7.3 Conflict of Interests

- a) In all situations, the Board and Management of NWOT must act ethically and in the best interests of the Company.



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- b) The Board and Management of NWOT must act in a way that avoids any situation, perceived or real, where the individual, or a member of his or her family, could receive improper benefits as a result of his or her position with the Company.
- c) Where conflicts or potential conflicts of interest do arise, Directors will make this situation known to the Board and ensure the conflict is handled accordingly.
- d) The Board must apply the *Conflict of Interests: Guidance Note for Board Members* included as an Appendix to this document.

8 Board Meetings

- 8.1 Board meetings are to be scheduled and regulated in accordance with Schedule 3 of the Trust Deed.
- 8.2 The Chair is responsible for the conduct of all Board meetings. Meetings must be conducted in a manner respectful of the Chair, other Directors and any attendees.
- 8.3 The principles of the 'Board Meetings Practice Guide' (September 2015) of the Institute of Directors should be followed in relation to the preparation and conduct of Board meetings. This practice guide is included as an Appendix to this document.

9 Board Committees

- 9.1 The Board may establish Committees to assist with the effective management of issues and to improve decision making. Committees must be comprised of members appointed by the Board and report directly to the Board.
- 9.2 With the exception of the Whakapapa Committee, Committees do not have any decision-making powers that bind the Board but will make recommendation for endorsement by the full Board.
- 9.3 The Board will ensure Committees are adequately resourced and supported by the CEO and Management. Each Committee will have a Board approved Terms of Reference specifying constitution, role and responsibilities.
- 9.4 In addition to Standing Committees (outlined below), the Board may constitute temporary working groups to assist with specific matters for a specified period of time.

Standing Committees

- 9.5 The Board has the following Standing Committees:

- a) **Audit and Risk Committee**

The Audit and Risk Committee assists the Board in ensuring oversight of all matters relating to risk management, health and safety management, financial management and controls, and the financial accounting, audit and reporting of the Company.



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b) Taumata Committee

The Taumata Committee is established in accordance with Section 4 of the Trust Deed. As specified in the Trust Deed it is to protect the mana of Ngāti Whātua Ōrākei and provide guidance in terms of Ngāti Whātua Ōrākei tikanga, reo, kawa, karakia and korero.

c) Whakapapa a Committee

The Whakapapa Committee is established in accordance with Section 4 of the First Schedule of the Trust Deed. The mandate and constitution of the Committee is outlined in accordance with this Schedule. The Committee's role is to review and approve applications for membership of the Trust.

d) Mana Tamaki Committee

This Committee supports the Board in protecting and leveraging the Ngāti Whātua Ōrākei Treaty Settlement and in ensuring our ahi kaa status across the rohe is maintained. It also ensures our Treaty of Waitangi rights enshrined in various legislation such as the Resource Management Act, Conservation Act, Local Government Act and others are protected and leveraged.

10 Director Compensation

10.1 Director remuneration is authorised in accordance with section 6.2 of the Trust Deed which requires an ordinary resolution of the Adult Members of Ngāti Whātua Ōrākei present at the Annual General Meeting.

10.2 Directors are eligible for reimbursement of verifiable and authorised expenses that are incurred directly in relation to conducting the business of the Company including any travel costs associated with attendance at Board meetings.

11 Review

11.1 This Charter is to be reviewed annually, with any changes to be approved by the Board.

11.2 Date of next review: **February 2020**



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CONFLICT OF INTERESTS

Guidance Notes for Board Members

Directors are bound to serve the interests of the organisation over their own personal or family/whānau interests. They must not abuse their position of trust. It is also extremely important that a board is seen to make decisions that are based on fair process.

A conflict of interest arises when you or your family/whānau/business interests stand to gain financially from a decision or discussion in the meeting room, or where your personal, family/whānau or business interests could influence, or be perceived as influencing your decision making.

Declaration

If matters come up during a meeting that could affect your personal, family/whānau, or business interests, you must declare a conflict of interest to the Chair. This declaration must be recorded in the minutes of the meeting.

The group through the Chair will decide if you will:

- Stay in the room during discussion but not vote (abstain)
- Leave the room to make sure you do not influence the decision, or so that you do not hear information which could put you in a difficult situation. This applies when the issue being debated might result in a significant gain for the director *Another way of looking at “conflicts of interest” is to view them as “competing interests”. A competing interest is anything that interferes with, or could reasonably be perceived as interfering with, a full and objective evaluation of a proposal or a proposed course of action. Competing interests can be financial, professional, or personal; hidden or declared; actual or perceived.* A conflict of interest would include but is not limited to:

Employment and Non – Investment Income

You must declare any work or income that you, or an immediate family member, receives that derives from an organisation that has tendered for the services being considered. ^[1]Declarations should also be made covering previous employment with an organisation that has submitted a tender for the services being considered.

Position of Influence in an Organisation of Interest

You must declare any position of influence. This is defined as being one or more of the following: A member of a board, director, trustee, secretary, or partner, of any incorporated society, charitable trust, registered company, legal partnership, or any other trading organization that has submitted a tender for the services being considered.



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*Pecuniary
(financial) Interest
in an Organisation
of Interest*

You must declare any investment in any of the organisations that have tendered for the services being contested.

*Pecuniary
(financial)
Interest in an
Organisation of
Interest*

You must declare any investment in any of the organisations that have tendered for the services being contested.

*Current Regular
Clinical
Relationship*

You must declare any position you hold where you regularly request work from or have any other business relationship with any of the organisations that have tendered for the services being contested.

Gifts Received

You must declare any gifts received from any of the organisations that have tendered for the services being contested during the last 24 months.

Bias

You must declare any bias or lack of impartiality and any perceptions of this with respect to the matter being considered by the Board. This exists if you are holding or expressing strong political or personal views that may indicate prejudice or predetermination for or against a person, issue or matter under consideration.

Independence

You must declare if you have a relative or close friend who has an interest that may be affected by a decision of Ngāti Whātua Ōrākei Trust Limited.

Board Meetings Practice Guide

Good decision making through effective meetings



Effective meetings make for better decisions

A board meeting is the forum for the decisions and resolutions required to discharge the formal responsibilities of office. The overarching purpose of boardroom procedure is to facilitate good decision making.

Formal board meetings¹ are necessary and are a key mechanism to enable directors to serve the best interests of the company. If a board does not meet regularly, board leadership and decision-making may be compromised which will bring increased risk to the company and to the directors.

The Companies Act 1993 mandates a framework for some aspects of board meetings. Failure to observe the requirements of law may call the validity of the proceedings of a meeting, and put any decisions made into question. Directors should ensure they have read and understand relevant statutory requirements mandated by this Act, or other legislation applicable to your entity. Principles of common law and the rules/constitution of the organisation are also important.

¹ Specific requirements relating to Annual General Meetings (AGMs) are not covered in this guide – refer to References and further reading for more information.

As governors of an organisation, directors are liable for the decisions they make. They need to be able to show that they did everything they could to ensure the board made the right decisions. Saying, “*I wasn’t at the meeting*” is no excuse. Directors are held to account for the decisions of the board as a collective.

Regular board evaluation can help boards achieve a greater understanding of their performance in key areas, including meetings. For more information see the IoD’s [betterBoards evaluation tool](#).

Disclaimer: This guide is not a substitute for legal advice and should only be used as a reference point to general custom and what the IoD has determined to be good practice.

Part 1: Boardroom practice and behaviour

- 1. Preparation
- 2. Procedure
- 3. Conduct

This guide aims to assist company directors and other board members to participate effectively in board meetings.

Part 2: Boardroom tools

- 1. Agendas
- 2. Board papers
- 3. Minutes

Templates

- Annual plan
- Agenda
- Board paper
- Minutes

Part 1: Boardroom practice and behaviour

An effective board meeting requires that:

- the board and management both *prepare* well
- appropriate *procedures* are followed
- board behaviour and *conduct* supports robust debate and good decision making.

1. Preparation

Planning and preparation is critical to effective board meetings. Having an annual plan, a well structured agenda and comprehensive board papers, are the cornerstones of effective decision-making.

*"By failing to prepare,
you are preparing to fail."*

BENJAMIN FRANKLIN

The annual plan

An annual schedule of meetings should be agreed for the year to:

- enable the scheduling of key events such as strategic planning, the CEO's performance review and financial reporting
- ensure directors can book meeting dates in their calendars.

A sample annual plan is included under templates.

The venue and timings for the next meeting should be confirmed at the preceding meeting.

The meeting agenda

Board meetings require clear objectives in the form of an agenda. Directors should ensure:

- the meeting has a clearly defined purpose
- they are comprehensively informed regarding specific business matters to be conducted at the meeting
- they receive relevant documentation, including the agenda and board papers, well in advance (at least one week – preferably two or more depending on complexity and length) in order to facilitate informed decision-making.

Directors should advise the chair of any items they wish to raise before the meeting so they can be incorporated into the agenda. See Part 2 for more about Agendas.

The right information in board papers

Board papers play an important part in stimulating discussion and understanding issues related to the future of the organisation. The right content and structure can strongly influence board effectiveness.

To ensure clarity and efficiency, directors should request that papers presented to the board state their purpose at the beginning and note desired outcomes and/or actions. If those outcomes or actions require associated expenditure, those costs should be clearly laid out for the board to consider.

In some cases, a chair may opt not to hold discussion regarding a paper provided for information only, unless a director has a specific query pertaining to it. Papers presented for discussion often frame topical matters for awareness. While they may not require a decision, they are used to present context for directors so that implications of future decisions are well understood. See Part 2 for more about board papers.

Be ready for the meeting

Directors should be on time and ready to do business.

It is the responsibility of each board member to ensure they read everything presented for discussion, and in the lead up to the meeting, to thoroughly consider the key strategic issues behind the papers.

“A helpful rule of thumb is for directors to spend at least 1-2 hours out-of-meeting time reading the papers for each hour of in-meeting time.”

It is the duty of a director to be open-minded in their approach to decision-making. Being receptive to other arguments is a key quality of being an effective and balanced director. *It is important to be persuadable as well as persuasive.*

If a director has particularly strong views on a given item, it is sometimes worth phoning the chair before the meeting takes place to talk it through. This way the chair is in a stronger position to help guide discussion towards a fair decision. ‘No alarms or surprises’ is another good rule of thumb.

2. Procedure

A board is typically free (subject to provisions of common law, legislation and, where applicable the body's constitution) to follow any set procedures, customs and standing orders that it decides on.

Board procedures are commonly set out in the board charter. The IoD's Four Pillars of Governance Best Practice contains a sample board charter which is available to IoD members [here](#).

Frequency and quorum

A director should expect that regular board meetings will be held at least quarterly and more commonly on a monthly basis. In particularly extraordinary circumstances (for example a financial crisis) meetings might need to be held as often as daily.

In order to hold a properly constituted board meeting, there must be a quorum present. The quorum may be defined in legislation, the organisation's constitution or company policy.

Boards may opt to hold meetings in varying locations, such as regional offices or the premises of subsidiary entities, which can offer directors a range of perspectives on the operations of the company.

Practices and rules

Meeting practices are variable, and can range from informal to very formal procedures, for example:

- some boards may instil the discipline of 'speaking through the chair' to reduce cross-talking and guide discussion back to the chair at all times
- other boards may use this only in situations where a controversial matter is up for debate and discussion becomes heated.

Motions, resolutions and voting

A *motion* is a proposition made and a *resolution* is the decision formally reached. In most cases the term used in the agenda or minutes does not influence whether or not the decision made is effectual once it has been passed. It is up to the organisation in question to decide whether to pass motions or resolutions and processes in this regard are ordinarily contained in the constitution or standing orders.

Motions or resolutions will normally begin with the word ‘that’ and be in form that can be voted ‘for’ or ‘against’, for example, “*That the minutes be accepted as a true and accurate record of the meeting held at [time/date/place]*”. A motion or resolution may need to be moved and seconded before it is debated, and voted upon. It is standard practice for a chair to put a motion or resolution to the meeting with no mover or seconder, if they feel the topic has been sufficiently debated and a decision is imminent.

Occasionally, resolutions may be circulated, signed and passed outside of formal meetings. Similarly, boards may occasionally call for meeting attendance via telephone or video-conference. It is good practice to include reference to this option in the entity’s constitution or charter under meeting procedure or similar.

For example:

“A resolution in writing signed by all the members of the board for the time being, shall be as valid and effectual as if it had been passed at a meeting of the board, duly convened and held”.

“A meeting of the board may be held by the contemporaneous linking together of a sufficient number of the members of the board to form a quorum by telephone or internet based platforms such as Skype.”

It is important to remember that although other forms of meetings can have value, meeting face-to-face generally facilitates better interaction, relationship building and growing a strong board culture.

In cases where a significant issue requires a board decision, or if insufficient time or information has been allowed for preparation, directors may defer/decline to approve a matter. In such cases the board may decide to:

- request further information from management
- seek independent advice
- establish a sub-committee of the board to carry out in-depth work and make a recommendation to the board.

“Shelving hard decisions is the least ethical course.”

SIR ADRIAN CADBURY

Absence and abstention

All directors are jointly and severally liable for decisions made in the boardroom.

- Abstention does not constitute formal dissent regarding an issue or motion and even if dissent is formally registered and recorded, it does not exempt the director from liability for the decision made.
- Likewise, being absent for a part or the entirety of a meeting of the board does not provide a director with exemption from liability for the decisions made at that meeting.

Confidentiality and security

Directors can be subject to legal, regulatory or constitutional obligations to treat confidential information with due care and discretion. Board papers often contain sensitive information about an organisation and directors should take care to ensure they are kept secure.

This can be a particular issue with electronic papers. IoD members have access to a Practice Note (No 3) regarding board papers on tablets and security issues [here](#).

Meeting minutes

Directors are legally responsible for ensuring minutes are kept, and for their content and accuracy. While meeting minutes should not quote the meeting verbatim, they need to be detailed enough to ensure an accurate reflection of the meeting and illustrate the reasons decisions were taken. Minutes must demonstrate that the directors have done what is required to discharge their duty of care, diligence and skill.

Directors should be conscious of the possibility of external scrutiny, as in legal proceedings, board minutes are considered discoverable material.

Following the meeting, the minutes are first checked by the chair and then circulated to directors in draft form. This should be done within a few days of the meeting to which they refer. The minutes are then signed by the chair, usually at the next board meeting.

Directors need to be vigilant in their attention to detail in signing off board meeting minutes as a true and accurate record of the meeting. See Part 2 for more about minutes.

3. Conduct

An effective board meeting is strongly influenced by boardroom conduct, behaviour and the role of the chair. The chair is central to ensuring all board members engage, contribute, are heard and that there is robust debate and respectful engagement. The soft skills of the chair and other board members can make the difference between a high-functioning and a low-functioning board.

"I dislike arguments of any kind. They are always vulgar, and often convincing."

OSCAR WILDE

An important responsibility of directors is to question management – and each other – about the items of business in front of them. These are questions that *you* should ask, not questions you can afford to hope *someone else* will ask.

1. What issues (explicit or implicit) do the papers in front of me raise?
2. Do we have the right information? (To assess performance or risks.)
3. Did we get answers to what we asked last time?
4. Are we dealing with issues of risk, compliance and strategy in the right balance? Is the bad news reaching the board?
5. How can we measure/benchmark progress?
6. How do we validate information that doesn't seem right?

Respectful engagement

The boardroom is a place of mutual respect. There should be respect for the office of the chair as well as all other people at the table, including fellow directors and any other attendees.

The guiding rule for boardroom debate is that all directors should 'play the issue, not the person' and avoid the discussion becoming personal.

Dissenting views

Directors who disagree with a decision taken will sometimes want to have their position noted. There is no official rule regarding the manner in which dissenting views are to be handled and this is left to the discretion of the chair. However, explicit dissent of a director should be recorded in the minutes as a matter of good practice in retaining an accurate record of the board's deliberations.

Ultimately, boards should aim for consensus decision-making and collective responsibility. This means that a board works towards a consensus agreement on issues and when decisions are taken and final, the board speaks with one external voice, notwithstanding divergence of minority opinions internally.

*"To rule is easy,
to govern difficult..."*

JOHAN W VAN GOETHE

Role of the chair

The role of the chair is critical to the effective conduct of meetings. Effective leadership from a chair adds significant value to the board, the CEO and the organisation. The chair also has a pivotal influence on board culture.

The role of the chair in a board meeting, is to:

- chair meetings in a manner that stimulates debate on the issues before the board
- foster a board culture that is respectful and inclusive
- limit board members who may be overly verbose while drawing out the contributions of the reticent
- guide discussions so that genuine disagreements can be aired and resolved
- not dominate discussions but maintain good control of proceedings
- see that decisions are reached and are properly understood and recorded
- be mindful of the potential for conflicts of interest between directors and the company
- be fair but firm.

The chair should formulate the agenda and decide the amount of time spent on each item. It is the responsibility of the chair to ensure the agenda and board papers are sent out to committee members on time and that they are of a high standard.

The chair may opt to open a board meeting with a directors-only session to allow sensitive issues to be discussed more freely and in confidence. For example, issues to do with the CEO or management that the board wants to discuss itself before widening the audience.

The chair can place emphasis on key issues for deliberation or curtail debate on topics. The chair also has the prerogative of summing up the discussion and reaching a resolution.

“The IoD believes that a preoccupation with creating and adding value must underpin all governance practice.”

THE FOUR PILLARS

Tips

- *There’s no such thing as a stupid question. If you don’t understand, make sure you ask the right questions until you do. For example, set up a session with your accountant or CFO to go through the financials until you know how the place ticks.*
- *Always remind yourself that you are there to add value to the boardroom and the organisation.*
- *Expect briefings regarding current and emerging developments in areas like health and safety and cybersecurity. The board should also seek external advice and expertise if needed.*
- *Governance is not about a right and a wrong answer. It is about making strategic decisions and choices about the future. Take the fear out of making mistakes by planning, measuring and reflecting honestly.*

Questions for boards

- Do we engage in robust discussion, challenge and probe recommendations from a diversity of perspectives?
- Do we have a creative, innovative approach to driving the organisation forward?
- Do we think long-term about trends and future scenarios?
- Do we have a comprehensive understanding of critical success factors?
- Do we know what could derail the organisation?

Adding value

Governance is about adding value. An important question for any board to ask at the end of any meeting is, “Did we add value today?”

Part 2: Boardroom tools

Three essential tools underpin effective board meetings:

1. A focused ***agenda***.
2. Well-constructed ***board papers*** that fit the board's purpose and needs.
3. ***Minutes*** that record decisions and tell the story of the meeting.

1. Agendas

A focused agenda is the roadmap for a meeting and the backbone of constructive discussion.

A well-constructed and formatted agenda will ensure you get the most out of your board meeting. The chair is the official owner of the board agenda and should oversee its preparation.

An agenda template is provided.

Key agenda items:

- the date, time and place of the meeting
- minutes of the last meeting
- action points from the last meeting
- interests register (See the [Conflicts of Interest Practice Guide](#))
- management reports (including financial statements)
- decision papers and discussion of strategic issues.

Agendas should include a balance of structural, compliance and performance matters. This enables the board to deal with important administrative and short-term performance issues, while allocating sufficient time to consider of the company's strategy and long-term future.

Tips

- *Put important issues at the top of the agenda.*
- *If your board receives hard copies of the agenda and papers, it can assist in ease of navigation to include an A3-size fold-out page at the back of the papers displaying the agenda of the meeting with page numbers of associated papers noted. This saves time spent flipping back and forth between the contents page and the rest of the documents.*
- *Use indicative timings in the agenda for each issue to encourage meeting flow. Procedures such as taking apologies, minutes and the register of interests are important but should only take a short amount of time. The board can then focus on the issues at hand.*

2. Board Papers

A well-constructed set of board papers paints a picture of the organisation for the board.

“Life is short and information endless: nobody has time for everything.”

ALDOUS HUXLEY

Board papers play an important part in stimulating discussion and keeping directors informed of current issues facing the organisation. They help directors identify and understand important issues related to the future of the organisation so that good decisions can be made.

There is no one-size-fits-all way of producing a board paper and it is therefore best if each board decides for itself how papers should be presented, and communicates this to the management team through the CEO.

Board papers include:

- CEO report
- financial report
- operational updates
- documents supporting matters requiring decisions
- major correspondence
- regular disclosure of interests register
- information on performance and compliance, key strategic issues and risks.

A board paper template is provided under templates.

Papers can be broadly categorised three ways:

- for information only
- for discussion
- for a decision to be made.

As an overview, board papers should:

- be well-structured and clearly presented
- include purpose and upfront summary
- be linked to strategy
- remain consistent across reports and present comparable information
- present reliable and timely information.

Board papers are typically assembled by the CEO in close consultation with the chair.

The quality of board papers is enhanced by a dynamic of trust and confidence between the chair and CEO. A chair should expect that the CEO will identify and prioritise the right topics for the board. Both parties should maintain a dialogue about the board papers including feedback on areas that need improvement and those that work well.

Papers should be focused on the governance matters the board has to deal with and provide accessible and relevant information. The board needs information to help it make decisions and it needs to see how proposals/projects align with strategy.

There's no strict rule about what is 'in or out' because the line between operational and strategic decision-making can vary. It is important to remember that governance and management often need different data to do their jobs.

Board papers should be succinct and concise, with plenty of thought in preparation. Boards usually have limited time to discuss papers so focusing on key issues is important. The board can ask for supporting information if needed.

The IoD's [Ten Top Tips for Better Board Papers](#) provides a summary of how a board paper should be constructed and may be useful to distribute to anyone who regularly reports to or presents information to your board.

3. Minutes

Good record keeping is fundamental to best practice and the efficient functioning of the board.

Purpose of minutes

The minutes are designed to ‘tell the story’ of the meeting and illustrate the reasons decisions were taken. Each board will decide the style of minutes suitable to the company but there are certain consistent elements.

Content

Views differ on the extent of detail to be included in minutes. Minutes are usually drafted in a formal and neutral tone.

While meeting minutes should not be so heavily detailed as to quote the meeting verbatim, they need to be detailed enough to ensure a brief and accurate reflection of the meeting. Board minutes should contain a record of:

- the name of the organisation
- the time, date and place at which the meeting was held (including the times at which the meeting was opened and closed)
- names of those present and in attendance, as well as any apologies (for absence or lateness)

- those who arrived or left during the meeting and the time at which they did so
- the agenda and other materials that the board members received either before or during the meeting
- what was decided and why
 - resolutions passed and actions to be taken by the board and delegates (including deadlines)
- fundamental questions raised and key points of discussion
- any dissent, abstentions (and reasons provided for them)
- any conflicts of interest including what the conflict was and how the board handled the situation (for further information see the IoD’s [Conflict of Interest Practice Guide](#)).

A sample minutes template is provided under templates.

“Talk that does not end in any kind of action is better suppressed altogether”

THOMAS CARLYLE

Circulating and signing minutes: The minutes as a ‘true and correct record’

Following the meeting, the minute taker should arrange for the minutes to be signed by the chair, usually at the next board meeting. Prior to this, minutes should first be checked by the chair and circulated to directors in draft form. This should be done within a few days of the meeting to which they refer, while memories of events at the meeting are still fresh.

Action list

Directors and management may find that time can be saved if the minutes are followed by an action list. This is a list of matters arising at the meeting where action is required, setting out who is responsible for each matter, the estimated date of completion and a brief description of progress.

Templates

- Annual plan
- Agenda
- Board paper
- Minutes

Annual plan

*Areas included in plan for example purposes only.
Annual plans should be tailored to organisational needs

[download template](#)

Item	January	February	March	April	May	June	July	August	September	October	November	December
Board meetings	Date/Time /Place	Date/Time /Place	Date/Time /Place	Date/Time /Place	Date/Time /Place	Date/Time /Place	Date/Time /Place	Date/Time /Place	Date/Time /Place	Date/Time /Place	Date/Time /Place	Date/Time /Place
1.0 Strategic plan and organisational performance												
Strategic plan/ strategic review												
Annual Report												
2.0 Finance Audit & Risk												
Annual budget												
Audit/financials												
Risk review												
3.0 Chief Executive Officer												
CEO performance agreement												
CEO remuneration												
4.0 Board administration and planning												
Board performance review												
Directors' fees												
5.0 Stakeholder relations and engagement												
Annual General Meeting												

Agenda template

Agendas should be tailored to organisational needs.

Agenda Board of XYZ Company		Meeting number: _____ Date: _____ Time: From: _____ To: _____ Location: _____	
	Item	Presented By	Time Allocation
Administrative			
1	Board-alone time	Chair	15mins
2	Welcome	Chair	2mins
3	Interests register and conflicts of interest	Chair	2mins
4	Minutes of the last meeting	Chair	5mins
5	Action items from last meeting	Chair	5mins
Reporting			
6	Management reporting		
6.1	Performance against strategic KPIs	CEO	10mins
6.2	Financials, actual vs. budget and forecast		
6.2.1	Statement of financial performance	CEO and CFO	7mins
6.2.2	Statement of financial position	CEO and CFO	7mins
6.2.3	Statement of cashflow	CEO and CFO	7mins
Substantive Items			
7	Decision papers and discussion of strategic issues		
7.1	Paper 1	As relevant	20mins
7.2	Paper 2	As relevant	20mins
7.3	Paper 3	As relevant	20mins
Information			
8	Information papers for the board to note		
8.1	Paper 1	As relevant	5mins
8.2	Paper 2	As relevant	5mins
8.3	Paper 3	As relevant	5mins
9	Any general business	As relevant	5mins
In Closing			
10	Review of meeting	All	5mins
11	Last question of the day	As relevant	5mins
Next meeting		Meeting number: _____ Date: _____ Time: From: _____ To: _____ Location: _____	

download template

Board paper template

Board papers should be tailored to organisational needs.

Board of XYZ Company

Board paper: number xx
Meeting date:
Relevant strategic objective:
Owner/presenter:

Item for: Information/Discussion/Decision

Title (for example)
CAPEX PROPOSAL FOR PLANT UPGRADE

Suggested headings/information to provide

Executive summary

Purpose

Background

Supporting information

Proposed budgetary implications

Resolution:

That the board directs management to...

[download template](#)

Minutes template

*Items/motions in minutes for example purposes only.
Minutes should be tailored to organisational needs.

Minutes of the meeting of XYZ Company held on [date], [time] at [location].

Present:
Apologies:

1. Welcome
2. Interests register and conflicts of interest
3. Minutes of the last meeting

Resolution: *That the minutes of the meeting dated XXXX be accepted as a true and accurate record.*

Moved:
Seconded:
Motion passed: Yes / No
Abstentions:

4. Action items from the last meeting

5. Management reporting

Resolution: *That the management report for the period dated XXXX be received and approved.*

Moved:
Seconded:
Motion passed: Yes/No
Abstentions:

..... For all agenda items

10. General business

Next meeting: The next meeting of XYZ Company will be held on [date], [time] at [location].

These minutes have been accepted as a true and accurate record by the board of XYZ Company.

Signed: _____ Date: _____
Chair

[download template](#)

References and further reading

IoD resources

[The Four Pillars of Governance Best Practice](#), IoD, 2014

- Board meetings and board papers – pages 66 – 74
- Sample board charter containing board procedures – page 220 – 224
- Annual meetings – pages 198 – 200

[A director's practical guide to minutes](#)

[Ten Top Tips for Better Board Papers](#)

Other resources

The Companies Act 1993 – [Schedule 3: Proceedings of the board of a company](#)

Peter Watts, *Directors Powers and Duties – 2nd edition*, 2015. Chapter 4 contains a section regarding the procedural requirements of board meetings.

Institute of Directors in New Zealand (Inc)
Mezzanine Floor, 50 Customhouse Quay
PO Box 25253, Wellington 6146
New Zealand

Telephone: 04 499 0076

Facsimile: 04 499 9488

Email: mail@iod.org.nz

iod.org.nz