



## Generic Appointment Process for Director Appointments within Te Rūnanga Group

June 2019

### 1. POLICY STATEMENT

- 1.1. This policy document sets out the generic process for appointing directors onto boards of Te Rūnanga o Ngāi Tahu group entities, as listed at **Appendix One**.
- 1.2. The generic process for director appointments seeks to uphold the following principles:
- a) Objective, merit-based selection procedures to ensure the ‘best person’ for the job;
  - b) Clear and easy to understand processes which delineate governance decision-making responsibilities from management support roles;
  - c) Give effect to the Governance Goals approved by Te Rūnanga (set out at **Appendix Two**) where reasonably possible.

### 2. DIRECTOR TENURE LIMITS – ELIGIBILITY FOR REAPPOINTMENT

- 2.1. The following table lists the relevant process requirements based on the existing terms for incumbent directors.

<b>Level 1 Entities</b>	
Director has served an initial term only (less than 3 consecutive years).	<ul style="list-style-type: none"> <li>• Director is eligible to be considered for reappointment.</li> <li>• A full recruitment process is not required. (noting all Level 1 appointments are subject to Te Rūnanga approval).</li> </ul>
Director has served 2 terms (less than 6 consecutive years).	<ul style="list-style-type: none"> <li>• Director is eligible to be considered for reappointment.</li> <li>• A full recruitment process is not required (ie steps (b) – (e) below are not required) – this is at the discretion of the Te Here appointed Appointment Committee. (noting all Level 1 appointments are subject to Te Rūnanga approval).</li> </ul>
Director has completed 3 full terms.	<ul style="list-style-type: none"> <li>• Director is eligible to be considered for reappointment.</li> <li>• A full recruitment process is required to be undertaken to enhance adequate director rotation and board refreshment.</li> </ul>
<b>For all other Appointments</b>	
If, after preparing and confirming the brief, the recommendation of the Appointment Committee is to re-appoint a director who is willing to accept re-appointment there will be no requirement to undertake a full process.	



### 3. APPOINTMENT PROCESS FOR LEVEL 1 APPOINTMENTS

3.1. When a Level 1 vacancy arises, the following process shall apply. N.B. This process is summarised in a process map on page 6 of this document:

#### a. Establish an Appointment Committee

- The first step is for Te Here (supported by the Office) to agree to establish an Appointment Committee which will be responsible for managing the appointment process as set out in this policy.
- The size and makeup of the Appointment Committee is at the discretion of the Te Here Chair. Appointment Committees will usually be comprised of the following roles:
  - Appointment Committee Chair - Te Here representative
  - Te Rūnanga representative x 1
  - Te Here representative x 1
  - Chair of the Board (where applicable)
- All Te Rūnanga Representatives will be given the opportunity to participate in Appointment Committees. If a greater number of Te Rūnanga Representatives make themselves available than what is required, the Appointment Committee composition will be at the discretion of the Te Here Chair.
- Where there is an existing board the Appointment Committee will usually include the Chair in the Appointment Committee and, if necessary, will meet with board members of the company to discuss the vacancy; or
- Where there is no existing board, the Appointment Committee will take advice from the Office, and if appropriate from external consultants about the appropriateness of having an independent person join the Appointment Committee; or
- The Appointment Committee may include independent parties (i.e. people who are not Te Rūnanga Representatives) if the Te Here Chair considers that to be appropriate.

#### b. Briefing

- Next, the Appointment Committee (supported by the Office) convenes to identify the key issues and other relevant factors relating to the vacancy.
- Where the Appointment Committee is considering a NTHC board vacancy the Appointment Committee shall consider the Shareholders' Agreement between NTHC and Te Rūnanga dated 19 November 2015 and as amended from time to time ("the Shareholders Agreement"), the nature of the role (for example it may be a Tribal Representative or an Independent Director role) and the appropriate Board Skills/Competencies Matrix for the role.
- Where the vacancy is for the Chair of the Board the Appointment Committee will, where appropriate, meet with the outgoing Chair, other board members and/or external consultants and/or industry leaders to assist them in completing a brief for the vacancy.



**c. Confirm the Brief and Recruitment Advertising**

- The Appointment Committee will develop relevant briefing information for potential candidates. This should include not only details of the vacancy and the expectations of Te Rūnanga, but also details of the current process including projected timeframes for the appointments process.
- The Appointment Committee will agree the wording of the advertisement as well as confirm the relevant recruitment channels to be utilised, including the potential engagement of external recruitment consultants.

**d. Assessment**

- The Appointment Committee, in association with the recruitment consultant if applicable, will complete structured evaluation processes to assess candidates against the clear job-related criteria outlined in the brief.
- Assessment activities will usually include the following minimum elements: Screening of CV's; structured interview; reference checks.

**e. Preferred Candidate is Invited to Undertake Due Diligence**

- Once a preferred candidate is selected they may be invited to undertake relevant due diligence in respect of the appointment if this is considered appropriate. It may be appropriate for this step to be delayed until after Te Rūnanga has approved offering the position to the relevant person.
- This process can include meeting with the Chair and Chief Executive of the company and viewing relevant Board documentation and history. Confidentiality agreements will likely be required.

**f. Appointment of Preferred Candidate is recommended to Te Here**

- Upon final agreement of the Appointment Committee, the preferred candidate is recommended to Te Here by the Appointment Committee.
- Te Here considers the Appointment Committee recommendation and, if supported, recommends the preferred candidate to Te Rūnanga for appointment.

**g. Appointment of Preferred Candidate is made by Te Rūnanga o Ngāi Tahu**

- Upon final agreement of Te Here the preferred candidate is recommended to Te Rūnanga by Te Here.
- Te Rūnanga considers the recommendation and decides whether to approve the appointment.
- The Office/Executive shall ensure that final documentation to the successful candidate is promptly forthcoming.

**h. Advising Unsuccessful Candidates**

- This aspect requires sensitive handling to maintain positive long term relationships.



**4. APPOINTMENT PROCESS FOR LEVEL 2 APPOINTMENTS**

- 4.1. Te Rūnanga o Ngāi Tahu practice has been to populate the board of Level 2 companies with people in certain roles, e.g. since 2011 the NTFSL board has been made up of the Kaiwhakahaere, the CEO and the Chief Executive of NTHC. As the people in those roles has changed so has the make-up of the NTFSL board.
- 4.2. If Te Rūnanga o Ngāi Tahu does not make a specific decision about the appointment process for a Level 2 company, then the same process should be used as for a Level 1 appointment.

**5. APPOINTMENT PROCESS FOR LEVEL 3 APPOINTMENTS**

- 5.1. Unless the policy provides differently, Level 3 appointments are delegated to the CEO to make on behalf of Te Rūnanga o Ngāi Tahu. For the avoidance of doubt the CEO is entitled to appoint him/herself to a Level 3 director if she/he thinks appropriate.

**6. APPOINTMENT PROCESS FOR FULL SUBSIDIARY<sup>1</sup> BOARDS AND OTHER NTHC GROUP APPOINTMENTS**

- 6.1. Full Subsidiary board appointments and appointments to other NTHC Group appointments, e.g. to entities where NTHC is a part owner shall be made in accordance with the Shareholders’ Agreement. In particular, the NTHC Appointment Committee will include one of the Tribal Representatives on the NTHC board and a Te Here appointee.

**7. APPOINTMENT PROCESS FOR INDEPENDENT CHAIRS OF TE RŪNANGA SUB-COMMITTEES – TRARC & TE WHAKAUE**

- 7.1. The appointment process for the independent Chairs of Te Rūnanga Audit and Risk (TRARC) and Te Whakaue sit outside of the scope of the terms of reference for Te Here. Appointments to these independent Chair roles shall be managed by a committee comprised of the Kaiwhakahaere, Deputy Kaiwhakahaere, Te Here Chair, and Te Apārangi Chair. The committee may also choose to appoint an independent Chair to facilitate the appointment committee’s process. **(Appendix Three)**

Document History and Version Control					
<b>Title</b>	Generic Appointment Process for Director Appointments within Te Rūnanga Group				
<b>Version</b>	v1.2	<b>Date last approved</b>	June 2019	<b>Next review date</b>	2024
<b>Owner</b>	GH Toi Tangata	<b>Reviewer</b>	Te Here	<b>Approver</b>	TRoNT
<b>History</b>	v1.0 - New Policy August 2013				
	v1.1 - Reviewed and amended September 2017				
	v1.2 - Reviewed and amended June 2019 – addition of section 7				

<sup>1</sup> “Full Subsidiary” means Ngāi Tahu Property Limited, Ngāi Tahu Seafood Limited, Ngāi Tahu Tourism Limited and Ngāi Tahu Farming Limited.



**Appendix One:**

**Entities Requiring Appointment of Directors / Trustees by Te Rūnanga**

Te Rūnanga o Ngāi Tahu Group Directors / Trustees				
Entity	Shareholding	Body Appointing Directors	Business Activity	Level of Entity
Ngāi Tahu Holdings Corporation Ltd (NTHC)	100%	NTCT	Commercial Management	1
Whai Rawa Fund Ltd	100%	TRONT	Investment	1
Ngāi Tahu Fisheries Settlement Limited (NTFSL)*	100%	TRONT	Management settlement quota	2
Ngāi Tahu Communications Limited*	100%	TRONT	Radio, TV and Publications	2
Te Tapuae o Rehua Limited	13%	TRONT	Educational	3
He Oranga Pounamu	Trust	TRONT	Health Services	3
Ngāi Tahu Mātauranga Trust*	Trust	TRONT	Education	2
Ngāi Tahu Pounamu Limited	100%	TRONT	Pounamu	3
Ngāi Tahu Lobster Quota Limited	100%	TRONT	Non Trading	3
Ngāi Tahu Migratory Quota Limited	100%	TRONT	Non Trading	3
Ngāi Tahu Paua Quota Limited	100%	TRONT	Non Trading	3
Ngāi Tahu Scampi Quota Limited	100%	TRONT	Non Trading	3
Ngāi Tahu Shellfish Quota Limited	100%	TRONT	Non Trading	3
Ngāi Tahu Wetfish Quota Limited	100%	TRONT	Non Trading	3
Ngāi Tahu Development Corporation Ltd (NTDC)	100%	TRONT	Non Trading	3
Te Rūnanga o Ngāi Tahu Limited (TRONTL)	100%	TRONT	Non-trading	3
Ngāi Tahu Publications Limited	100%	TRONT	Non Trading	3

**\*Ngāi Tahu Communications Limited** – Te Rūnanga has decided the board of Ngāi Tahu Communications Limited will be made up of whoever holds the role of Chief Executive Officer of the Office.

**\*NTFSL** – The board of NTFSL will be made up of whoever holds the roles of Kaiwhakahaere, Chief Executive Officer of the Office, and Chief Executive of the NTHC. The board of NTFSL shall appoint the board of any subsidiaries of NTFSL.

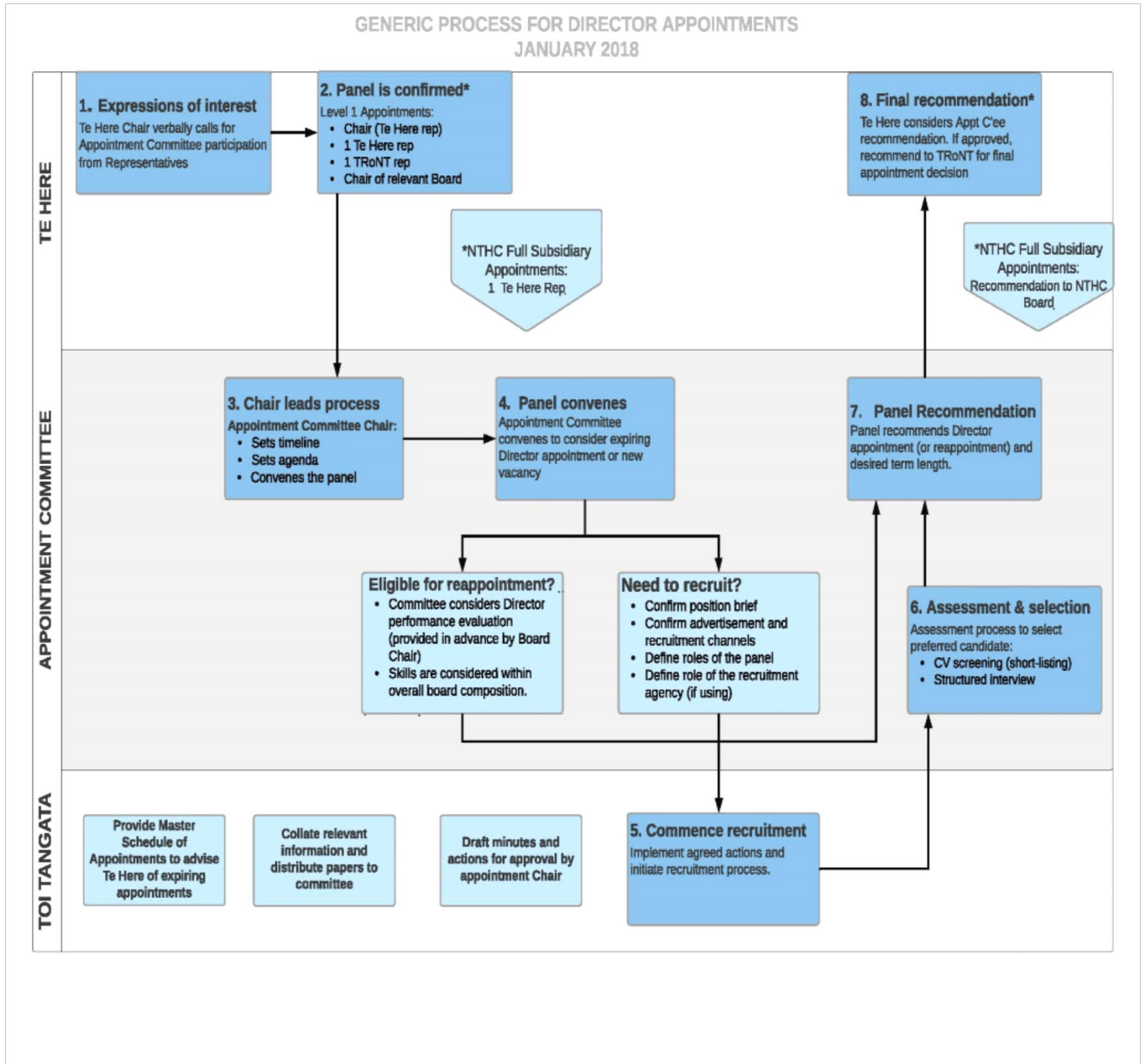
**\*Ngāi Tahu Mātauranga Trust** – Te Rūnanga has two appointees to the board of the Ngāi Tahu Mātauranga Trust. Under the Trust Deed one appointee is whoever holds the role of Kaiwhakahaere. Te Rūnanga has decided the other appointee will be whoever holds the role of Chief Executive Officer of the Office.



**Appendix Two:**

**GOVERNANCE GOALS WITHIN TE RŪNANGA GROUP**

- By 2020 that 75% of all Level 1 and Full Subsidiary boards are comprised of members of Ngāi Tahu whānui appointed purely on merit and in light of their respective skills and experience.
- To have a Te Here nominated representative be a member of the NTHC Full Subsidiary board appointment panels. Te Here shall ensure all Rūnanga Representatives are given the opportunity to fulfill this role
- To meet the requirements and standards outlined in the Shareholders' Agreement.
- To establish a database recording potential future directors for the NTHC board and the various subsidiary boards and that is database be catalogued to identify;
  - Ngāi Tahu whakapapa, cultural, commercial and overall readiness to hold a directorship within the Te Rūnanga Group;
  - Non Ngāi Tahu who have a strong relationship with Ngāi Tahu and have the skill set and other attributes required to successfully perform as a company director; and
  - Ngāi Tahu whānui members that have the potential but require some further development in order to fully satisfy the requirements for a board appointment within the Te Rūnanga Group.





Te Rūnanga o NGĀI TAHU

**Appendix Three:**

**Independent Chairs of Te Rūnanga Sub-Committees requiring Appointment by Te Rūnanga**

Te Rūnanga o Ngāi Tahu Group Directors / Trustees				
Entity	Shareholding	Body Appointing Directors	Business Activity	Level of Entity
Te Whakaue – (Te Rūnanga People Development and Remuneration Committee)	100%	TRONT	Non Trading	
Te Rūnanga Audit and Risk Committee (TRARC)	100%	TRONT	Non Trading	