The Proprietors of Waitutu Incorporated

Governance Policy Manual

Policy name:	Governance Policy Manual
Contact person:	Chairperson
Approval authority:	The Committee of Management
Date of approval:	01 April 2025
Date of next review:	One year after the date of approval
Policy overview:	The following documentation outlines the Proprietors of Waitutu Incorporated's policy manual and is aligned to the Incorporations constitutional documents and policies.

#	Policy name	Description	Status
GOV00	Statement of Investment Policies and Objectives	To assist all parties to effectively formalise, implement, monitor, and review the Incorporations investment strategy. To assist the Committee in effectively supervising, monitoring, and evaluating the manager of various asset portfolios.	In Development
GOV01	Shareholder and External Communication policy	This policy guides the Incorporation through all external communications between the Incorporation and shareholders and external parties.	In Development
GOV02	Internal Communication policy	This policy guides the Incorporation through all internal communications processes.	In Development
GOV03	Rangatahi and succession planning policy	This policy guides the Incorporation through all external communications between the Incorporation and shareholders and external parties.	In Development
GOV04	Delegated Financial Authority policy	This policy sets out the delegations for financial functions and powers within the Incorporation.	Approved
GOV05	Annual Planning and Budgeting policy	This policy sets out the requirements for the annual budget-setting process for the Incorporation.	In Development
GOV06	Expenses and Accounts Payable policy	This policy sets out the principles, requirements, and procedures in relation to the Incorporations expenses and accounts payable function	In Development
GOV07	Asset Management policy	This policy guides the Incorporation through expectations around purchasing, disposing, and managing fixed assets.	In Development
GOV08	Conflicts of Interest policy	This policy provides the Incorporation with the tools for identifying and managing conflicts of interest.	Approved
GOV09	Disputes Resolution policy	This policy aims to provide the Incorporation with a set of procedures and processes that create a fair and supportive environment to resolve any disputes raised.	In Development
GOV10	Procurement policy	This policy guides the process for procuring goods and services from third parties for the Incorporation.	Approved
GOV11	Professional Development policy	This policy sets the framework for professional development of all employees, management, and Committee of Management members within the Incorporation.	In Development
GOV12	Performance policy	This policy outlines the expectations of the Incorporation employee performance and sets guidelines for how to address performance gaps between required and actual performance standards.	In Development
GOV13	Revenue and Accounts Receivable	This policy sets out the principles, requirements, and procedures in relation to the Incorporation's revenue and accounts receivable function.	In Development
GOV14	Bank Accounts	This policy provides guidance and procedures for the Incorporation's bank accounts.	In Development
GOV15	Accounting, Reporting, and Auditing	This policy sets out the Incorporation's monthly reporting requirements and month-end procedures, as well as the annual reporting requirements including liaising with auditors to ensure the reports are prepared efficiently and on time.	Under Review
GOV16	Sensitive Expenditure	This policy provides an overview of how to manage expenditure and reimbursement of costs that potentially create financial and reputational risk.	In Development

GOV17	Information Technology and Information	This policy provides the Incorporation with a means of understanding how to securely use their Information Technology systems.	In Development
GOV18	Recruitment	This policy aims to provide the Incorporation with fair, consistent, and transparent guidelines to assist with the recruitment process.	In Development
GOV19	Remuneration	This policy aims to provide the Incorporation with fair, consistent, and transparent guidelines for governing employee remuneration to attract and retain talented individuals.	In Development
GOV20	Treasury Management	This policy sets out the requirements to ensure treasury activity and liabilities are managed in a prudent, effective, and efficient manner.	In Development
GOV21	Health & Safety	This policy sets out the Incorporations Health & Safety priorities & objectives	Under Review
GOV22	Leave Policy	This policy aims to provide guides and rules around Annual Leave, Sick Leave, Bereavement Leave and Alternative Leave in conjunction with the relevant legislation	In Development
GOV23			
GOV24			
GOV25			
GOV26			

Governance Policy Manual

1. Background and Purpose

1.1. The Proprietors of Waitutu Incorporated (**Waitutu** or the **Incorporation**) is a Māori Incorporation that manages and administers some 2,171 hectares of land (or **whenua**) for and on behalf of its shareholders and their beneficiaries.

1.2. The purpose of this manual is to outline the strategic framework, strategic pou, constitutional documents, risk management framework, policies and processes that control/ monitor the governance environment that the Incorporation operate within.

1.3. As the governance body for the Incorporation, the Committee of Management (**CoM** or the **Committee**) strive to be the example for Waitutu and its people and govern in a way that respects Waitutu tikanga.

1.4. At the core of any good governance policy manual is the Committees responsibility to set a clear strategic direction for the Incorporation, create a strong leadership culture and manage risk. This can be achieved through:

- Leadership culture.
- Committee oversight.
- Risk management practices.
- Having the 'right' people, capabilities, and knowledge.
- Strong policies and processes.

1.5. Whilst the Committee is ultimately responsible for the incorporation, we must all act in a stewardship role on behalf of our people, our owners, and their beneficiaries.

2. Our Assets

2.1. Waitutu's core asset base includes:

- Waitutu has been entrusted with the management and administration of some 2,171 hectares of Beech Forest, located on the southern shores of the South Island near Fiordland National Park.
- One of the Incorporations core assets comprises the Waitutu Forest Lodge (the **Lodge**) which is situated at the gateway of the renowned Waitutu Podocarp Forest. The Lodge comprises the main lodge, the manager's home, a barbeque shelter, and large chiller.
- The Incorporation's asset base is made up of cash, term deposits, tourism, financial investment portfolio and return portfolio held with Craigs and Forsyth Barr and other passive investments (the **Assets**). As of 16 May 2024, the Incorporations Asset totalled $25.6m.

2.2. While our focus is on effective and efficient management of the Assets, we are also committed to ensuring our commercial and investment decision-making have our people at the forefront of our minds.

3. Strategic Framework

3.1. The vision, mission and values that guide this document include:

Waitutu te Kainga (vision)	Our next generation are connected to the land. Our Rangitahi are thriving with the land. Our rich inheritance is shared.
Kei ā tātou ringaringa te ao (mission)	In achieving our vision, the world is ours.

Ngā whanonga pono (values)	
Whakapapa (history)	Whakapapa is our connection to our people, the land, the wai, our taiāo and the world. Whakapapa helps us understand who we are and where we come from.
Pono (honesty and transparency)	Our relationship with the land, our forest and our people are centred on respect, transparency, honesty, and care for our whānau and the decisions we make.
Mana whenua (self-determination)	The whenua is our mana. We are protectors and guardians of the land, our history, our stories, and our assets to ensure our people know who they are and are self-determined. Our decision making now is reflective of our role as Kaitiaki.
Whānaungatanga (connection)	The success of our whānau is paramount. We are committed to creating better social opportunities to ensure our people are self-determined.
Kaitiakitanga (protection)	As kaitiaki, we have core kaupapa of "taonga tuku iho" which focusses on restoring and maintaining our natural eco-system. In caring for our whenua in this way, we are also caring for our people – believing that a healthy whenua ensures a healthy people.

4. Strategic Pou

4.1. As a Māori organisation, we are multi-faceted which means our decision-making and approach to governance stems beyond just the financials. The principles that guide the Committee includes:

Pou	Definition
Pou Tāngata	Strong, committed, and responsible leadership with capable governance and ethical decision-making that strengthens Waitutu by providing whānau with access to their whenua and increasing the overall well-being of our people.
Pou Taiāo	Protect the integrity of our whenua and our eco-systems through effective environmental management to ensure we keep Waitutu a pristine place of paradise for future generations.
Pou Tāhua	Leverage our asset base through ethical investments that align with our values and strategic pou to generate commercial returns and sustainable dividends to our whānau.
Pou Māoritanga	Respect and preserve our culture and our whakapapa though the conservation and preservation of our stories and history to ensure it is enduring.

4.2. The strategic priorities that stem from the strategic pou include:

Growth in the Rohe	Restoring and developing the Forestry Lodge to be fit for purpose.
Greater engagement with whānau	Developing a clear succession plan for our people to connect and proactively contribute to the future direction of Waitutu.
Growth in our Pūtea	Growing the value of our whenua, whānau, taiāo and pūtea through ethical investments.

5. Constitutional documents

5.1. The Incorporation are guided by the following founding constitutional documents:

- The Proprietors of Waitutu Incorporated Constitution
- The Incorporations 'GOV00: Statement of Investment Policies and Objectives' (the **SIPO**), which includes the Incorporations strategy towards investments.
- The Incorporation's Strategic Plan (the **Strategy**).

6. Legislative environment

6.1. The Incorporation are compliant with the following requirements including but not limited to:

- Māori Incorporations Constitution Regulations 1994
- Te Ture Whenua Māori Act 1993.
- The Waitutu Block Settlement Act 1997.
- Health and Safety at Work Act 2015.
- Employment Relations Act 2000.
- Human Rights Act 1993.
- Privacy Act 2020.
- Equal Pay Act 1972.
- Protected Disclosure Act 2000.
- Wages Protection Act 1983.
- Minimum Wage Act 1983.
- All employment related legislation.

7. Alignment to the Constitution

Incorportation Objectives

7.1. The Incorporation's Constitution specifies the objects of the Incorporation are:

- To use the land or any part thereof for the growing of timber, for engaging in the felling of marketing of timber, for establishing and carrying on timber mills, for granting licences to cut and remove timber or for engaging in any other operations for the production, utilisation, or sale of timber and for carrying on any agriculture or pastoral or afforestation business thereon.
- To occupy and manage as a farm the land or any portion of the land vested in the Incorporation and to carry on any agricultural or pastoral business thereon.
- To engage in coalmining or other mining operations on the land or to grant leases or licences for production of coal or other minerals.
- To engage for the alienation by sale or lease or otherwise of the land or of any portion thereof.
- To only invest in passive investments, limited to shares listed on listed stock exchanges, term deposits, bonds, forestry partnerships, and land and land-based property, and which meet the following criteria:
    a) To mainly hold investments with a view to the long term, i.e., "Buy and hold strategy".
    b) To not invest in anything that puts the core assets at risk.
    c) To implement a thorough investment due diligence process before making new investments.
    d) To use independent advisers (experts) to assist decision making.

Governance Board

7.2. In accordance with section 21 of the Māori Incorporations Constitutions Regulations Act 1994, it is preferred that the Committee operate under the umbrella of:

7.3. A fixed number of members of the Committee of Management, being not less than 3 nor more than 7.

7.4. The number so fixed may from time to time be varied by resolution of the shareholders, but in no case shall the number be reduced below 3 nor increase above 7.

General and Specific Powers

7.5. The Committee may exercise those general and specific powers as set out below:

7.6. Subject to any express limitations or restrictions imposed by the court in the incorporation's constitution, a Committee member shall have all such powers and authorities as may be necessary for the effective management of the Incorporation and the achievement of its purposes.

Other Duties

7.7. Other Committee duties not explicitly stated in the Constitutional Documents but crucial to our success include:

Focus area	Description
Sets the strategic direction of the Incorporation with short to long term plans and monitors the incorporation progress against them.	The Committee is accountable to our people for the Incorporation's overall performance, emphasises strategic leadership, set the vision for the Incorporation, and ensure compliance with legal and policy requirements. The Committee leads the review and approval process for the Strategic Plan(s) and SIPO including the strategic aims and targets set. Regular Committee meetings must include progress reports towards the strategies and targets set.
Monitors and approves the financial reports and budgets of the Incorporation.	Incorporation Budgets are approved. The Committee ensures that the LM operates within the approved Budget(s) and GOV04 Delegated Financial Authority Policy.
Monitors and evaluates Operational progress as presented by Management.	Management reports include at a minimum progress report against Annual Plan and highlighting risk(s)/successes. The Committee receives bi-monthly reports from the LM on progress against objectives (inclusive of health and safety compliance and best practice standards). Ensures the Incorporation are meeting targets set out in the Annual Plan and ensures the Incorporation's performance is 'satisfactory' against Strategic Plan Priorities.
Committee members attend Committee meetings and take an active role.	Attendance at 80% of meetings. Unexplained absences at Committee meetings (3 absences without prior leave may result in immediate step down.) This will be at the discretion of the collective Committee. Committee papers are circulated at least [5] days prior to the set meeting and been read prior to attending Committee meetings. Attendance to governance training, inductions and other relevant governance development sessions are mandatory. Conflict of interests are managed and compliant with the risk management framework set. Committee time will include "In Committee" sessions for discussion on commercially sensitive information, confidential information, and decisions on serious matters of the organisation.
New Committee members inducted and given relevant documents to assist them in their new role.	Committee induction packs are provided at least 1 weeks prior to the new members first Committee meeting. New and continuing members information is updated and proactively managed for any changes in legal compliance and best practice standards. The Committee seek appropriate advice to assist in all decision making.
Approve policies and major program initiatives	Policies are consistent with the day-to-day operations, compliant with legislative requirements and aligned to the Constitution. Policies are developed by the committee member responsible for Technical / Tikanaga and approved by the Committee. Policy reviews are planned by the committee member responsible for Technical / Tikanaga and approved by the Committee.

8. Lodge Hosts's Role and Responsibilities

8.1. The Committee delegates all authority and accountability for the day-to-day operations and administrative function of the Waitutu Forest Lodge (the **Lodge**) to the Lodge Host (the **LHM**. The LH must ensure we have informed and timely information for decision-making and risk management.

8.2. The Incorporation's policies outline clear delegations to the LH who reports to the Committee. The Committee and the LH form the leadership team with the role of each documented and understood.

8.3. The Committee will not be involved in the administrative details and day to day running of the Lodge but rather, our focus is the ongoing improvement of the Incorporations growth aspirations and achievements. This is premised on the basis that:

- The LH meets all performance objectives and key performance indicators set out in the LM's contracts.
- The LH is compliant with both the Committee's governance and financial policy framework and the law of New Zealand.

9. Fiduciary Responsibilities

9.1. A 'fiduciary duty' implies that a person who has this type of responsibility conducts themselves according to an ethical standard above what may be legally required. In simple terms, a fiduciary duty demands that a person does what is right, no matter the circumstances.

The Committees fiduciary responsibilities include:

9.2. **Duty of care:**

Duty of care means that the Committee must give the same care and concern to their committee responsibilities as any prudent and ordinary person would manage their personal matters.

9.3. **Duty of Loyalty:**

Duty of loyalty means to always place the interests of Waitutu ahead of self-interests. Conflicts of interest must be disclosed at all times, recorded on the Incorporations 'Risk Register' and be in accordance with the Incorporations 'Conflicts of Interest policy'.

9.4. **Duty of Obedience:**

The Committee must ensure the Incorporation abides and is compliant with the law and refrains from any illegal activities.

9.5. **Duty of Confidentiality:**

Duty of confidentiality means to keep certain types of information confidential. The Committee must ensure that all 'confidential and sensitive' information must be kept confidential and not be used for personal gain.

9.6. **Duty of Prudence:**

Duty of prudence is to be aware of risks and exercise caution in decision-making. The Committee must ensure that it maintains a high degree of professionalism. Compliance with the Incorporations internal accountability and approval policies and processes is paramount., as set out in the Incorporations Policies.

9.7. **Duty of Disclose:**

Committee members must be forthright in their speech and behaviour. If they have information that would influence decision-making (biases), Committee members have a duty to make that information known.

Breach of fiduciary duty

9.8. Committee members are considered to have breached their fiduciary duty when they did or said something that was not in the best interest of Waitutu. In a legal sense, the breach must also have resulted in some loss for the Waitutu. Furthermore, the breach must have directly caused the damage.

Any breach of fiduciary duty may be considered as 'sufficient cause' for removal from the Committee. Ultimately, disciplinary action because of a breach of the Committee member's fiduciary duties will be at the discretion of the Committee of Management.

10. Risk Management

10.1. Risk is typically defined as the effect of uncertainty on objectives, where the effect can be negative or positive on the objectives with different aspects and different levels. A risk management framework minimises the negative impact of adverse events, risk and maximises the impact of positive events.

10.2. The Committee develop appropriate internal controls and risk management strategies including the Incorporations policies purposed to reduce any potential negative effects on the Incorporations business activities.

Figure 1. The Risk Management Framework

10.3. At all times, the Committee oversee critical risks to and of the Incorporation and be consulted and made aware of 'less critical' risks. Risk is found at the core of the framework and connected to maintaining a values-driven yet 'disciplined leadership culture.

11. Risk Management Tools

11.1. To mitigate actual, potential, or perceived risks to the Incorporation, the Committee have established a 'conflict of interest' policy.

11.2. A conflict of interest may breach any Committee members duty to act in the best interest of Waitutu and decision-making is undermined by another interest Committee members may have, making it difficult to ensure Committee members are meeting your duties. Types of conflicts include:

- Actual: where you are being influenced by a conflicting interest.
- Potential: where you could be influenced by a conflicting interest.
- Perceived: where you could appear to be influenced by a conflicting interest.

11.3. Where conflicts of interest arise, the Committee will maintain an accurate and up-to-date Risk Register which details any risks identified for the Incorporation. The LM is responsible to the Committee, who are in turn, the ultimate governing body of an organisation, in terms of the control and integrity of the Register.

11.4. Other risk management tools implemented by the Incorporation include:

- Performance reviews.
- Policies and regular policy reviews (at least annually).
- Monthly and Annual reporting from Management.

12. Group policies overview

12.1. With reference to the Risk Management Framework, the Committee's oversight and contribution is a flexible overlay; with Committee participation decreasing as you move from the top to the bottom of the framework i.e., the intensity of 'Committee oversight' is strong at the strategic, leadership, performance evaluation and stakeholder engagement levels but decreases as it moves to the bottom half of the framework. The Group Policies are categorised into the following key focus area's:

12.2. **Strategy:**

Policies that support the Committee in setting the strategic direction and long-term objectives of the Incorporation including the process to provide constructive feedback, input and final approval to the Lodge's business plans and strategies, and reviewing, providing constructive feedback to and final approval of any operational plans and business activities.

12.3. **People:**

The Incorporation's business activities are very strategic, with strong expertise, operational and administrative support required. At the core, 'people policies' need to encompass these needs. This includes policies that support the Committee's responsibility for ensuring the Incorporation have the 'right' people 'on the ground'.

The Committee is also responsible for establishing effective and sustainable operations team and succession plans, which should include the identification and development of Committee successor candidates, as well as the ultimate selection for the Lodge, and any external advisors including the fund managers who oversee the Incorporations managed fund portfolios.

12.4. **Performance:**

Policies that support the Committee's responsibility for ensuring the appropriate reporting mechanisms are in place to secure the efficiency and effectiveness of asset utilisation; and regularly reviewing the financial and service delivery performance of the Incorporation.

The Incorporation continuously aim to improve our own effectiveness and through effective Committee meetings with clear, strategically driven meeting agenda's, timely information and robust reporting frameworks, performance evaluations, goals, targets, and objectives. With this lens, 'performance-based' policies are both financial and non-financial focussed.

12.5. **Culture and Integrity:**

Culture and integrity are spoken through our mission, vision, and values, collectively capture within the values and guiding principles of Waitutu. Externally, we are committed to a well-defined two-way 'stakeholder communication channel'. This is discussed in detail in the Incorporations 'GOV01 Shareholder and External Communications Policy'.

Internally, we are committed to good 'internal' communication and other HR and governance policies that minimise disruption for Waitutu. At a governance level, we are committed to a positive and productive working relationship between the Committee of Management and Waitutu Forest Lodge Management. The Chairperson of the Committee is crucial to ensuring the Committee is aligned to the day-to-day operations. This culture is based on:

- Mutual trust and respect.
- Teamwork built on 'no-surprise' behaviours.
- Professionalism.
- Mutual understanding/acceptance.
- Collective commitment to comply with the Incorporation's policy and procedures.
- Agree and understand that the chairperson has no authority except that granted by the Committee.

13. Policy amendments

13.1. The Incorporation can change this policy at any time as part of our policy review process.