

Dairy Trust Taranaki

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Dairy Trust Taranaki

Governance Charter

1. Role of the Trust

The Trust was established to:

- Research and promote improved dairy farming methods for the benefit of the New Zealand Dairy Industry and the public of New Zealand.
- Manage and operate one or more research and demonstration dairy farms in a prudent and responsible manner.
- Develop, promote and sponsor the research, extension and education in the New Zealand Dairy Industry.

2. Strategic Focus

The Trustees have determined the following strategic focus through its vision, mission and values.

Vision

To deliver relevant, world-class research, demonstration, and extension to the dairy farmers of Taranaki and New Zealand

Mission

To advance knowledge and discover solutions to ensure the future viability of dairy farming in Taranaki and New Zealand, through harnessing our resources and collaboration with others.

Values

Innovation, Perseverance, Relevance, and Collaboration

Statements of Intent

We will:

- Facilitate the conducting of research relating to farming methods and encourage the publishing of the results of such experiments.
- Assist in the development of strategies for securing the future of the New Zealand Dairy Industry.
- Train and educate young farmers and provide scholarships and grants to persons for the purposes of research and development.
- Support, donate to, or assist other charities and not for profit entities within New Zealand with similar objectives.

3. History

The establishment of both the Stratford Demonstration Farm (SDF) and the Waimate West Demonstration Farm (WWDF) in 1917 began a century long commitment from Taranaki dairy farmers and the wider provincial community, in the area of dairy demonstration, discovery and innovation.

This was further enhanced in 1978 with the establishment of the Taranaki Agricultural Research Station (TARS) at Austen Rd, Normanby, which provided additional farm system research infrastructure and science capability within the province. In 2002, after closure of the Austen Rd site, TARS reopened at a new site at Whareroa (the current DTT Gibson Farm) under a new trust ownership structure, and dairy system research continued.

The three research entities have operated independently of each other, although their operating models were similar. However, with the growth of the dairy industry in New Zealand, and the establishment of a nationally coordinated research strategy, project funding and management was becoming an increasingly competitive process.

The three legacy entities recognized that combining their assets, knowledge and ability into a new single charitable trust will help them to more efficiently deliver value in the area of research coordination, project funding, operational excellence, science deliverables, regional strategy and sustainability. This strongly aligns with the general charitable purpose of educating and benefitting the Dairy Industry in Taranaki and New Zealand which is at the heart of each entities reason for being.

Dairy Trust Taranaki commenced operations on 1 December 2016 by merging assets provided by the three legacy entities. The operating footprint of the merged entities covers 500 hectares, is milking approximately 1,500 cows, holds approximately 268,000 Fonterra shares and employs or contracts a total of 12.5 full time equivalent farm staff.

The asset base includes livestock, Fonterra shareholding and plant and machinery and has an opening market value of just on \$4.1M. Debt is \$370,000 meaning the net opening equity of the new Trust is \$3.875M. All land is leased by the Dairy Trust.

4. Board of Trustee Structure

The Trust operates with 15 Trustees, some of which are appointed from the Appointing Entities and some are appointed through recommendation of a Nominations Committee.

Nine (9) Trustees join the Trust through recommendation of the Nominations Committee for a 3-year term. Terms are staggered so that no more than 3 Trustees retire at a time.

Six (6) join the Trust via appointment through Appointing Entities and their internal nominations process.

Fonterra Co-operative Group Limited
DairyNZ Limited
Taranaki Regional Council
South Taranaki District Council
Stratford Demonstration Farm Society
NZ Young Farmer (representing Taranaki and Manawatu)

The Trustee nominated from NZ Young Farmers will be supported in growing governance confidence. An experienced Trustee will be a mentor for this Trustee.

The Trustees may appoint up to two (2) co-opted Trustees for up to a 3-year period.

Further details of the Appointments process can be found in Section 5 of the Trust Deed.

5. Board of Trustees Role

The Board of Trustees are responsible for the Trust's overall performance in accordance with the relevant sections of its Trust Deed (dated 9 September 2016) and in accordance with the Charitable Trusts Act 1957, the Trustee Act 1957 and the Charities Act 2005.

As such, it has the following responsibilities:

- Set strategic direction and policy.
- Ensures compliance with the Charitable Trusts Act 1957, the Trustee Act 1957, the Law and any accountability documents that may exist.
- Maintain relationships with stakeholders.
- Monitor performance of trustees, employees, contractors and the management of assets.
- Provides a safe place for research, extension and employment.
- Facilitate and ensure that the intents of Dairy Trust Taranaki are achieved.
- Employ the Trust's general manager and execute its employer responsibilities

The Board of Trustees have further powers, and these are contained within Clause 4 of the Trust Deed.

6. Chairperson Role

The principal role of the Chair is to ensure the effective management of Dairy Trust Taranaki governance process.

The Chair presides at meetings of Dairy Trust Taranaki but does not have a casting vote in the instances of equality of a vote.

The Chairperson's full duties are outlined in the Chairperson Position Description.

7. Board of Trustee Subcommittees

There are four subcommittees:

Audit, Finance and Risk
People, Appointments and Safety
Communications and Stakeholder Relationships
Farm Operations & Science

The role of each subcommittee is described in the subcommittee's Terms of Reference, Appendix 2, 3 and 4.

8. Scholarships and Grants

Dairy Trust Taranaki partners with Massey University and Dairy NZ to fund the Colin Holmes Scholarship which is an annual scholarship offered to postgraduate students studying at Massey University.

The Trustees may offer other scholarships and grants from time to time to meet its strategic intent.

9. Meeting Cycle

Normal meetings of the Trustees follow a minimum of bi-monthly meetings with the timing of the Annual General Meeting determined by the timing of the Annual Financial Report which will usually be available within 6 months from the end of the Dairy Trust Taranaki financial year (31 May).

The Annual General Meeting is normally held in early October, back to back with the October Trustees meeting.

Special meetings may be convened at any stage as long as trustees are given 10 calendar days' notice of such a meeting.

10. Legislative Requirements

The Dairy Trust Taranaki applies integrity and diligence in conforming with those Acts of Parliament that pertain to its operation.

Furthermore, the Dairy Trust Taranaki has specific policies that demonstrate best practice of governance.

11. Declarations

Trustees are required to make an annual Declaration of Qualification as officers or trustees of registered charity (as per The Charities Act 2005). These declarations are held by the Administrator of the Trust.

Trustees are also required to maintain an Interests Register. In this register, trustees declare all their business interests which may be impacted by or influenced by their association with Dairy Trust Taranaki. This is a public record and the objective is to ensure full transparency around potential conflicts that may arise in their capacity as a trustee of Dairy Trust Taranaki.

Trustees are also required to adhere to the Trusts Conflicts of Interest Policy and Code of Conduct Policy.

APPENDIX 1

Terms of Reference

Audit, Finance and Risk Subcommittee

The Audit, Finance and Risk Committee is a standing sub-committee of the Trust, with delegated responsibilities and authorities as set out below.

Purpose

The purpose of the Audit, Finance and Risk Committee would be to:

Assist the Board of Trustees in discharging its responsibilities relative to financial reporting and regulatory conformance.

Monitor the finances and investments of the Trust and to make recommendations to the Board of Trustees.

Assist the Board of Trustees to identify key risks and then establish an appropriate approach to mitigate those risks to an acceptable level.

Responsibilities

The Audit, Finance and Risk Committee is responsible for monitoring the financial and investment welfare of the Trust.

Specific responsibilities include:

- Monitor financial operations and results.
- Oversee preparation and accuracy of annual budget.
- Ensure timely, accurate and useful financial information is presented to Board of Trustees.
- Receive annual accounts and make recommendations to the Board of Trustees regarding their content and presentation.
- Recommend budgets, and financial decisions to the Board of Trustees for approval or other required action.
- Develop and recommend to the Board of Trustees appropriate policies to guide the financial affairs of the Trust.
- Arrange for and maintain adequate insurance cover for the Trust.
- Appointment of auditor including reviewing engagement letter and fees.
- Liaise with external auditors, if appointed.
- Establish a risk register, and mitigation strategies for approval of the Board of Trustees.
- Manage the milk price risk as guided by the Milk Price Hedging policy.

Membership

The Audit, Finance and Risk Committee shall comprise not less than three (3) trustees appointed by the Trust.

The Chair of the Audit, Finance and Risk Committee shall be elected by the members of the Audit, Finance and Risk Committee.

The Trust Chair is an ex officio member of the Audit, Finance and Risk Committee.

The Financial Services Provider will attend Audit, Finance and Risk Committee meetings.

Meetings

- The Audit, Finance and Risk Committee shall meet at least four (4) times each year.
- A quorum shall be four (4) members of the Committee.
- Reasonable notice of meetings and business to be conducted shall be given to all Trustees.
- Any Trustee is entitled to attend meetings of the Audit, Finance and Risk Committee.
- The Committee may invite such persons as it considers necessary to provide appropriate information and advice.
- Any member of the Audit, Finance and Risk Committee may request a special meeting having given ten (10) days' notice.
- Minutes of all meetings shall be kept and circulated to all Trustees.

Reporting

Agendas and minutes of all Audit, Finance and Risk Committee meetings shall be circulated to all Trustees and shall be retained by the Trust. Minutes will be included in the next set of Board of Trustee papers for noting. After each meeting the Committee Chair shall report any of the Committee's recommendations to the Board of Trustees.

Authority

- The Audit, Finance and Risk Committee has no additional delegated authority outside of the delegated authority table.
- Approval of the Board of Trustees must be obtained before committing to any expenditure.
- The Board of Trustees may delegate to the Audit, Finance and Risk Committee such matters as it sees fit.
- Recommendations of the Audit, Finance and Risk Committee must take into account the impact on all other aspects of the Dairy Trust Taranaki activities.

Review

An annual self-review of the Committee, its objectives and responsibilities, and these terms of reference shall be undertaken. If appropriate, the Committee will recommend changes or alterations to the Board of Trustees.

APPENDIX 2

Terms of Reference

Communication and Stakeholder Relationships Subcommittee

Communication and Stakeholder Relationships Committee is a standing sub-committee of the Trust, with delegated responsibilities and authorities as set out below.

Objectives

The objectives of the Committee would be to:

- Assist and advise Trustees to promote and market Dairy Trust Taranaki and its activities to stakeholders and potential funders and partners.
- Develop annual sponsorship and communication plan as appropriate and monitor progress against targets on behalf of and reporting to the Board of Trustees.
- Manage the lifecycle of sponsorship on behalf of Dairy Trust Taranaki and present for consideration and approval of the full Board.
- Manage the relationship with key sponsors, with the expectation that external expertise will be utilised as appropriate. Ensure that Dairy Trust Taranaki meets our sponsorship obligations in terms of communications.

Membership

The Committee shall comprise of no less than four (4) trustees appointed by the Board of Trustees. The Chair of Dairy Trust Taranaki may attend ex officio.

Meetings

- A quorum shall be three (3) members of the Committee.
- The Committee may have in attendance such other persons including external advisors as it considers necessary to provide appropriate information and advice.
- Any trustee is entitled to attend Committee meetings of the Communication and Stakeholder Relationships Committee
- Reasonable notice of meetings and business to be conducted shall be given to the members of the Committee and other members of the Board of Trustees.
- The Committee shall hold at least four (4) meetings each year.
- Any member of the Committee may request a meeting if they consider it necessary having given ten (10) days' notice.
- Minutes of all meetings shall be kept and circulated to all Trustees.

Responsibilities

The responsibilities of the Committee are to:

- Review strategy for branding, marketing, promotion, and stakeholder engagement, including social media, and make recommendations for approval to the Board of Trustees.
- Monitor progress against branding, marketing, promotion, and stakeholder engagement, including social media, strategies.
- Advise and assist, as appropriate, in the development and delivery of such strategies.
- Planning and support of an Annual Sponsors' Day and Dairy Trust Taranaki Field days.

Authority

The Communication and Stakeholder Relationships Committee has no delegated authority.

- Approval of the Board of Trustees must be obtained before committing to any expenditure.
- The Board of Trustees may delegate to the Communication and Stakeholder Relationships Committee such matters as it sees fit.
- Recommendations of the Communication and Stakeholder Relationships Committee must take into account the impact on all other aspects of the Dairy Trust Taranaki activities.

Reporting

Agendas and minutes for all Committee meetings shall be circulated to Trustees and retained by Dairy Trust Taranaki. Minutes will be included in the next set of Board of Trustee papers for noting. After each meeting the Committee Chair shall report any of the Committee's recommendations to the Board of Trustees.

Review

An annual self-review of the Committee, its objectives and responsibilities, and these terms of reference shall be undertaken. If appropriate, the Committee will recommend changes or alterations to the Board of Trustees.

APPENDIX 3

Terms of Reference

People, Appointment and Safety Subcommittee

The People, Appointments and Safety Committee shall be a sub-committee of the Board of Trustees established by the Board of Trustees.

Objectives

The objectives of the Committee would be to assist the Board of Trustees to provide leadership and policy in discharging its health and safety, trustee appointments and human resource management responsibilities within the Trust.

Membership

The Committee shall comprise of no less than three (3) trustees appointed by the Board of Trustees. The Chair of Dairy Trust Taranaki may attend ex officio.

Meetings

- A quorum shall be three (3) members of the Committee.
- The Committee may have in attendance such other persons including external advisors as it considers necessary to provide appropriate information and advice.
- Any Trustees is entitled to attend meetings of the People, Appointments and Safety Committee
- Reasonable notice of meetings and business to be conducted shall be given to the members of the Committee and other members of the Board of Trustees.
- The Committee shall hold at least four (4) meetings each year.
- Any member of the Committee may request a meeting if they consider it necessary having given ten (10) days' notice.
- Minutes of all meetings to be kept and circulated to all Trustees.

Responsibilities

The responsibilities of the Committee are to:

- Review, monitor and make recommendations to the Board of Trustees on the Trust's health and safety risk management framework and policies to ensure that the Trust has clearly set out its commitments to manage health and safety matters effectively.
- Review and make recommendations for Board of Trustees approval on strategies for achieving health and safety objectives.
- Review and recommend Board of Trustees approval targets for health and safety performance and assess performance against those targets.
- Monitor the Trust's compliance with health and safety policies and relevant applicable law.
- Ensures that the Board of Trustees is properly and regularly informed and updated on matters relating to health and safety risks.
- Seek assurance that the Trust is effectively structured to manage health and safety risks, including having competent workers, adequate communication procedures and proper documentation.

- Reports to the Board on trends of health and safety related incidents.
- Make recommendations to the Board of Trustees regarding the appropriateness of resources available for operating the health and safety management systems and programs.
- Undertake an annual audit of the Trust's Health and Safety processes and performance.
- Obtaining appropriate professional advice/support to deal with any employment/contractor matters.
- Setting and reviewing employment and remuneration policies.
- Setting and reviewing the terms of employment contracts.
- Maintains the code of conduct to be followed by Trustees and staff.
- Manage staff wellbeing and risks including hours worked and associated issues over the calving period.

Authority

The People, Appointments and Safety Committee has no delegated authority.

- Approval of the Board of Trustees must be obtained before committing to any expenditure.
- The Board of Trustees may delegate to the People, Appointments and Safety Committee such matters as it sees fit.
- Recommendations of the People, Appointments and Safety Committee must take into account the impact on all other aspects of the Dairy Trust Taranaki activities.
- The People, Appointments and Safety Committee has the ability to employ staff in line with budget. Prior to the final offer of employment, an email notification is to be sent out to all Board members.

Reporting

Agendas and minutes for all Committee meetings shall be circulated to Trustees and retained by Dairy Trust Taranaki. Minutes will be included in the next set of Board of Trustee papers for noting. After each meeting the Committee Chair shall report any of the Committee's recommendations to the Board of Trustees.

Review

An annual self-review of the Committee, its objectives and responsibilities, and these terms of reference shall be undertaken. If appropriate, the Committee will recommend changes or alterations to the Board of Trustees.

APPENDIX 4

Terms of Reference

Farm Operations Committee

The Farm Operations Committee shall be a sub-committee of the Board of Trustees established by the Board of Trustees.

Objectives

The objectives of the Committee are to implement best practice in the operations of the Dairy Trust Taranaki farms with particular regard to performance, sustainability, environmental management and animal welfare.

The Committee will also oversee the implementation of Research and Demonstration activities commensurate with the Vision and Mission of Dairy Trust Taranaki.

Membership

The Committee shall comprise of no less than three (3) trustees appointed by the Board of Trustees. The Chair and Deputy Chair of Dairy Trust Taranaki may attend ex officio.

Meetings

- A quorum shall be two (2) members of the Committee.
- The Committee may have in attendance such other persons including external advisors as it considers necessary to provide appropriate information and advice.
- Any Trustee is entitled to attend meetings of the Farm Operations committee however, only sub-committee members and the Dairy Trust Taranaki Chair and Deputy Chair (attending ex officio) shall have voting rights at the meeting.
- Reasonable notice of meetings and business to be conducted shall be given to the members of the Committee and other members of the Board of Trustees.
- The Committee shall hold at least four (4) meetings each year.
- Any member of the Committee may request a meeting if they consider it necessary having given ten (10) days' notice.
- Minutes of all meetings to be kept and circulated to all Trustees.

Responsibilities

The responsibilities of the Committee are to:

- Review, monitor and make recommendations to the Board of Trustees on the strategy of the farm operations
- Monitor the performance of the farms against the farm budgets, the Trust's Business Plan and industry best practice.
- Make recommendations to the Board of Trustees regarding the appropriateness of resources available for operating the farms and related science programs.
- Review health and safety related incidents and consider appropriate actions to minimize the risk of recurrence.
- Ensure that the systems used to identify and manage health and safety risks are fit-for-purpose, being effectively implemented, regularly reviewed and continuously improved.

Authority

The Farm Operations Committee has no delegated authority. Approval of the Board of Trustees must be obtained before committing to any expenditure.

The Board of Trustees may delegate to the Farm Operations Committee such matters as it sees fit.

Recommendations of the Farm Operations Committee must take into account the impact on all other aspects of the Dairy Trust Taranaki activities.

Reporting

Agendas and minutes for all sub-committee meetings shall be circulated to committee members and retained by Dairy Trust Taranaki. The Committee Chair shall prepare the committee report and the Committee's recommendations to the Board of Trustees.

Review

An annual self-review of the Committee, its objectives and responsibilities, and these terms of reference shall be undertaken. If appropriate, the Committee will recommend changes or alterations to the Board of Trustees.