



Reference: 20240682

23 September 2024

John Luke
fyi-request-28200-6fe1fad4@requests.fyi.org.nz

Dear John

Thank you for your Official Information Act request, received on 26 August 2024. You requested the following:

... your most current template letter of appointment and most recent sent letter of appointment on file, of course you can remove any name/address in relation to privacy act requirements.

The request was clarified 7 September: *the templates for all the different entity types. One template for each of the entity types would be sufficient.*

Information being released

Please find enclosed the following documents:

Item	Document Description
1.	SOE Appointment letter Template
2.	Schedule 4A Crown-owned Company Appointment Letter Template
3.	Crown Entity Company Appointment Letter Template
4.	Crown Entity Appointment Letter Template
5.	Min Goldsmith RNZ appointment letter (most recent letter of appointment sent)

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

Simon Wi Rutene
Principal Advisor, Governance and Appointments

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Wellington 6140
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<https://treasury.govt.nz>

Table of Contents

1.	<u>SOE Appointment letter Template</u>	1
2.	<u>Schedule 4A Crown-owned Company Appointment Letter</u>	8
3.	<u>Crown Entity Company Appointment Letter</u>	13
4.	<u>Crown Entity Appointment Letter</u>	18
5.	<u>MIN GOLDSMITH RNZ appointment letter</u>	23

NAME of new appointment
email.address@com

Dear NAME

I have pleasure in formally offering you appointment as a director of ENTITY for a period from DATE up to DATE.

The appointment is made on the basis that you are not disqualified from being appointed, or holding office as, a director of a company under section 151 of the Companies Act 1993. If at any time after your appointment you become disqualified from holding office as a director, you must inform the shareholders immediately. The appointment is also subject to the satisfactory completion of background checks.

Please note that you will hold office at the pleasure of shareholding Ministers, and that you may be removed as a director at any time, and for any reason, by written notice by shareholding Ministers to the company.

On taking up this appointment you will ensure that you are appropriately indemnified and insured by the company, which may require a new board resolution and certificate. You could discuss this with the company's management. You are also welcome to take out additional insurance at your own cost if you wish.

You will be aware that responsibilities placed upon directors have increased in recent years and are still subject to significant change from time to time. If you have not already done so, I strongly recommend that you make yourself familiar with the legal rights and obligations of directors. A key element of your obligation as a director is the need for confidentiality with regard to the board and board committee discussions.

Schedule 1 to this letter sets out the Government's expectations in regard to the avoidance of conflict of interest situations by directors of Crown company boards.

As a Crown director you will need to exercise particular care around political neutrality which requires all Crown board members to act in a politically impartial manner, irrespective of their political interests.

I also expect you to familiarise yourself with the contents of the Owner's Expectations document which outlines shareholding Ministers' expectations of the companies fully or partially owned by the Crown. The manual and related updates are at <https://treasury.govt.nz/publications/guide/owners-expectations-manual>.

It is also possible that you may be placed in a situation where, as a result of circumstances which are not related to your directorship of this particular company, your continuing to act as a director of this company might nevertheless place this company or the shareholders in a difficult position. Consistent with your primary duty to act in the best interests of the company, if you find yourself in such a situation you must take the initiative and raise the matter with the Chair or me, if appropriate. While there are no set criteria for such situations, examples of the types of issues the shareholders would expect to be advised on include:

- where legal proceedings have been, or are likely to be, brought against the director
- where the director has been, or is likely to be, subject to negative media or public scrutiny
- where the director is placed in a situation of actual or perceived conflict of interest
- any issue affecting the director's ability to contribute to the board (for example, as a result of other time pressures, extended overseas travel (ie more than two months, illness, etc)
- where the director is appointed to any position as an employee of the Crown, or intends to undertake significant contract work for any Crown agency
- any other similar circumstance which may place the company or the shareholders in a difficult or embarrassing position.

I congratulate you on being offered this appointment and look forward to your ongoing contribution. If you wish to accept the appointment, please sign the enclosed "Agreement to Accept Appointment" and return it via email as per the email address on the declaration.

Yours sincerely

Hon XXX XXXXX

Minister for State Owned Enterprises

on behalf of shareholding ministers

Enc

Crown Company Directors Management of Conflicts of Interest – Schedule 1

Terms of Reference for Directors of State-owned Enterprises - Schedule 2

Agreement to Accept Appointment

Cc: appointments@treasury.govt.nz

Crown Company Directors Management of Conflicts of Interest – Schedule 1

It is necessary that new appointees to Crown company boards be advised of the expectations of shareholding Ministers with regard to the management of conflicts of interest that may arise in the course of their term as a director.

Directors occupy a fiduciary position, which requires a director to act bona fide in what the director considers is in the best interests of the company. Accordingly, directors are required by law not to place themselves in a position of a conflict of interest other than to the extent allowed under the Companies Act 1993 and the company's constitution.

It is expected that all directors make themselves familiar with the obligations required of a director in terms of the Companies Act 1993. Nothing in this statement obviates any directors' responsibility in this regard. However, it is important that appointees are aware of the additional expectations of the shareholding Ministers with regard to conflicts of interests.

Shareholding Ministers expect that no director on the board of a Crown-owned company or subsidiary company will undertake work for that company. This expectation is not intended to preclude a director from undertaking assignments for the board which properly fall within the definition of a director's duties, but would preclude the director carrying out, say, a consulting assignment for the management of the company.

Shareholding Ministers also expect that directors of Crown-owned companies should not be placed in a conflict of interest through the involvement of an organisation with which the director has an ongoing substantial commercial or professional interest or employment, with a Crown-owned company of which they are a director. Two situations that could create a conflict of interest where Crown-owned companies engage organisations in which directors have such an interest are:

1. Where the organisation has been engaged for a one-off, specific assignment.
2. Where the organisation engaged has an on-going involvement with the Crown-owned company.

With regard to the first situation, shareholding Ministers consider that, provided the director concerned declares his/her interest in the organisation to be engaged for the assignment and takes the appropriate actions under the Companies Act 1993 and the company's constitution (eg refraining from voting), it is unlikely that the organisation need be excluded from undertaking the assignment. To exclude the organisation could unduly penalise organisations from competing for business, especially when they operate in highly specialised areas.

However, boards of Crown-owned companies will also need to consider whether the affected director should be party to the service to be provided by his/her organisation to the Crown-owned company. Shareholding Ministers expect directors in this situation to distance themselves from the provision of service or advice although, in a highly specialised sector, this may not always be possible. The company's board should give careful consideration to a director's involvement in deliberations on the assignment.

The second situation referred to above causes shareholding Ministers greater concern, ie where the organisation engaged has an on-going involvement with the Crown-owned company.

The situation can arise from the company engaging, say, legal, accounting or other professional advice or services. Many of these firms are the source of a large number of directors and the potential for conflicts of interest is high.

In principle, the conflict of interest provisions in the Companies Act 1993 and the company's constitution should provide adequate protection against allegations of conflicts of interest, but shareholding Ministers have additional concerns that those provisions do not entirely remedy. A director who frequently stands aside from board decision-making places a greater burden on the remainder of the board. This can also deny the board the skills and experience of a director, which is not (generally speaking) in the best interests of the Crown-owned company. There is also potential for Ministers and boards to be significantly distracted by allegations of conflicts, as the need to address each allegation can be time-consuming.

Accordingly, shareholding Ministers wish to convey to all directors an expectation that Crown-owned companies should not engage in an on-going arrangement with an organisation in which a director has an interest of the nature outlined in this letter.

Shareholding Ministers are of the view that Crown-owned companies should be beyond reproach. Following the expectations of shareholding Ministers described in this statement should ensure that this is so. In the event that exceptions to these measures appear appropriate, they should be referred to the shareholding Ministers.

Background

The board of a State-owned enterprise (SOE) has essentially the same role as that of a private company board. SOEs are limited liability companies established under, and subject to, the Companies Act 1993. In addition, they are also subject to the State-Owned Enterprises Act 1986 (SOE Act 1986), which in essence:

- establishes that the principal objective of every SOE is to be a successful business
- clarifies reporting and accountability structures
- restricts the ability of shareholding Ministers to interfere in operational management
- establishes transparent mechanisms for Ministers to direct SOEs should that be necessary.

Shareholding Ministers appoint a board of directors to govern and oversee the management of each SOE. Under the Companies Act 1993, the Board is required to act in good faith and in what they believe to be in the best interests of the company.

Key Requirements

The key requirements of the Director position are to:

- ensure effective accountability and governance of the SOE, consistent with the requirements of the SOE Act 1986 and the Companies Act 1993
- to maximise shareholder value.

Accountabilities

You are accountable to the shareholding Ministers (the Minister for State Owned Enterprises (the responsible Minister), and Minister of Finance) in the manner set out in the SOE Act 1986.

The primary accountability document between the board and the shareholding Ministers is the Statement of Corporate Intent (SCI). The SCI is a public document tabled in the House of Representatives annually. The board is responsible for meeting the targets and outcomes in the SCI.

In addition, boards are expected to produce the following documents:

- an annual business plan
- quarterly reports on the financial and non-financial performance of the SOE within one month of the end of the quarter under review
- a half-yearly report within two months of the end of the first half of each financial year
- an annual report within three months of the end of each financial year.

Shareholding Ministers have adopted a “no surprises” policy. The board (usually through its chair) is expected to advise Ministers and/or their advisors of any material event or circumstance, wherever possible well in advance of its occurrence, that could affect shareholder value, cause embarrassment or be of significant interest to the shareholders. Directors may also be required to provide information to, and appear before, select committees on behalf of the company.

Specific Terms of Reference

Shareholding Ministers expect you to:

- contribute to the continual review and updating of the SOE's governance arrangements and risk management policies to ensure they reflect current best practice. It is expected that sub-committees of the board will be formed to ensure appropriate governance, review and risk management focus is applied by the board to the business of the company
- contribute in a positive fashion to Board discussions based on your own skills, experience and judgement
- work constructively with the Chair and other directors to ensure that the Board undertakes its work efficiently and effectively. It is expected that the Chair will, in consultation with the board, develop an annual work plan for the board
- define, agree and implement a business strategy that will ensure the viability and sustainability of the SOE in a manner consistent with the owner's expectations and the relevant provisions of the SOE Act 1986
- present to shareholding Ministers by 1 May each year (or as agreed) a draft strategic plan and SCI for at least the next three years
- employ a Chief Executive who will assist the company to meet the strategic and operational objectives as set by the Board
- provide the necessary guidance and support to the Chief Executive and his/her senior management team to ensure the SOE is managed effectively and efficiently on a day-to-day basis, and that the targets and outcomes in the SCI are met
- monitor the performance of the chief executive
- generally act in a manner consistent with your obligations as a directors under the SOE Act 1986 and the Companies Act 1993.

In addition, all directors should take the necessary steps to satisfy themselves of their statutory and best practice obligations.

Agreement to Accept Appointment

Hon XXX XXXXXX
Minister for State Owned Enterprises
PARLIAMENT BUILDINGS
WELLINGTON 6160

Dear Minister

I acknowledge receipt of your letter offering me appointment as director of ENTITY for a period from DATE up to DATE.

I confirm my acceptance of this appointment on the terms and conditions of the appointment letter.

I accept that I hold office at the pleasure of shareholding Ministers, and that shareholding Ministers can remove me as a director at any time, and for any reason, by written notice by shareholding Ministers to the company. I also accept that the appointment is subject to the satisfactory completion of background checks.

I will ensure that I keep myself fully familiar with the obligations and responsibilities of the position, and ensure that the company has taken any necessary steps to arrange for an indemnity and/or insurance for me in my position as a director.

I confirm that I am not disqualified from being appointed, or holding office, as a director. I also confirm that I have, to the best of my knowledge, advised the Treasury of all relevant facts about me that the shareholders should be aware of in considering me for reappointment. I undertake to advise the shareholders, via the Treasury, of any change in my circumstances that may have an impact on my ability to continue to serve on the Board.

Yours sincerely

Xxxxx xxxx XXXXXX

Date:

Please return via email to: appointments@treasury.govt.nz

NAME of new appointment
Email.address@.com

Dear NAME

I have pleasure in formally appointing you as a director of ENTITY from DATE up to DATE.

ENTITY is a Crown-owned company which is incorporated under the Companies Act 1993 and is listed on Schedule 4A of the Public Finance Act 1989. The appointment is made on the basis that you:

- have consented in writing to be a director
- are not disqualified from being appointed, or holding office as, a director of a Crown-owned company as outlined in Section 151 of the Companies Act 1993
- have disclosed the nature and extent of the interests that you have, or are likely to have, in matters relating to the company
- are not holding office as a director of a company under section 151 of the Companies Act 1993.

If at any time after your appointment you become disqualified from holding office as a director, you must inform the shareholders immediately. The appointment is also subject to the satisfactory completion of background checks.

Please note that you will hold office at the pleasure of shareholding Ministers, and that you may be removed as a director at any time, and for any reason, by written notice by shareholding Ministers to the company.

On taking up this appointment you will ensure that you are appropriately indemnified and insured by the company, which may require a new board resolution and certificate. You could discuss this with the company's management. You are also welcome to take out additional insurance at your own cost if you wish.

You will be aware that responsibilities placed upon board directors have increased in recent years and are still subject to significant change from time to time. If you have not already done so, I strongly recommend that you make yourself familiar with the legal rights and obligations of board directors. A key element of your obligation is the need for confidentiality with regard to the board and board committee discussions.

Schedule 1 to this letter sets out the Government's expectations in regard to the avoidance of conflict of interest situations by directors of Crown company boards.

Please also ensure that you have familiarised yourself with the Code of Conduct for Directors of Schedule 4A Companies, available on the [Te Kawa Mataaho Public Service Commission website](#), which sets out minimum standards of integrity and conduct you are expected to follow. The Code reinforces the requirement of political neutrality which requires all Crown entity Board members to act in a politically impartial manner, irrespective of their political interests. Consistent adherence to this Code is critical to ensure that Crown boards and board members conduct themselves in a way that maintains public trust and confidence.

It is also possible that you may be placed in a situation where, as a result of circumstances which are not related to your position as a director of ENTITY, your continuing to act as a director might nevertheless place the company or the shareholders in a difficult position. Consistent with your duty to act in the best interests of the company, if you find yourself in such a situation you must take the initiative and raise the matter with the chair and, if appropriate, me. While there are no set criteria for such situations, examples include:

- where legal proceedings have been, or are likely to be, brought against the director
- where the director has been, or is likely to be, subject to negative media or public scrutiny
- where the director is placed in a situation of actual or perceived conflict of interest
- any issue affecting the director's ability to contribute to the board (for example, as a result of other time pressures, extended overseas travel (ie more than 2 months, illness, etc)
- where the director is appointed to any position as an employee of the Crown, or intends to undertake significant contract work for any Crown agency
- any other similar circumstance which may place the company or the shareholders in a difficult or embarrassing position.

I also expect you to familiarise yourself with the contents of the Owner's Expectations document which outlines shareholding Ministers' expectations of the companies fully or partially owned by the Crown. The manual and related updates are at <https://treasury.govt.nz/publications/guide/owners-expectations-manual>.

Your induction to the company is the responsibility of the chair and will be discussed directly with you. However, the Treasury does arrange a one day induction seminar for new directors outlining the realities of Crown ownership, the expectations of Ministers and the roles of the key players.

I congratulate you on this appointment and look forward to your contribution. If you wish to accept the appointment, please sign the enclosed "Agreement to Accept Appointment" and return via email as per the email address on the acknowledgement.

Yours sincerely

Hon XXX XXXXX

Minister for XXXXXXX

On behalf of shareholding Ministers

Crown Company Directors Management of Conflicts of Interest - Schedule 1

Agreement to Accept Appointment

Please return via email to: appointments@treasury.govt.nz

Crown Company Directors Management of Conflicts of Interest - Schedule 1

It is necessary that appointees to Crown company boards be advised of the expectations of the Minister with regard to the management of conflicts of interest that may arise in the course of their term.

Directors occupy a fiduciary position, which requires them to act bona fide in what the director considers is in the best interests of the company. Accordingly, directors are required not to place themselves in a position of a conflict of interest other than to the extent allowed under the Companies Act 1993 and the company's constitution.

It is expected that all directors make themselves familiar with the obligations required of a director in terms of the Companies Act 1993. Nothing in this statement obviates any director responsibility in this regard. However, it is important that appointees are aware of the additional expectations of the Minister with regards to conflicts of interests.

The Minister expects that no director on the board of a Crown company or subsidiaries will undertake work for the company. This expectation is not intended to preclude a director from undertaking assignments for the board which properly fall within the definition of a director's duties, but would preclude the director carrying out, say, a consulting assignment for the management of the company.

The Minister also expects that directors of Crown companies should not be placed in a conflict of interest through the involvement of an organisation with which the director has an ongoing substantial commercial or professional interest or employment, with a Crown company of which they are a director. Two situations that could create a conflict of interest where Crown entity companies engage organisations in which directors have such an interest are:

1. Where the organisation has been engaged for a one-off, specific assignment; and
2. Where the organisation engaged has an on-going involvement with the Crown company.

With regard to the first situation, the Minister considers that, provided the concerned director declares his/her interest in the organisation to be engaged for the assignment and takes the appropriate actions under the Companies Act 1993 and the company's constitution (eg refraining from voting), it is unlikely that the organisation need be excluded from undertaking the assignment. To exclude the organisation could unduly penalise organisations from competing for business, especially when they are in highly specialised areas.

However, the board of the company will also need to consider whether the affected director should be party to the service to be provided by his/her organisation to the company. The Minister expects a director in this situation to distance themselves from the provision of service or advice although, in a highly specialised sector, this

may not always be possible. The company's board should give careful consideration to a director's involvement in deliberations on the assignment.

The second situation referred to above causes the Minister greater concern, ie where the organisation engaged has an on-going involvement with the company.

The situation can arise from the company engaging, say, legal, accounting or other professional advice or services. Many of these firms are sources for a large number of directors and the potential for conflicts of interest is high.

In principle, the conflict of interest provisions in the Companies Act 1993 and the company's constitution should provide adequate direction against allegations of conflicts of interest, but the Minister has additional concerns that those provisions do not entirely remedy the situation. A director who frequently stands aside from board decision-making places a greater burden on the remainder of the board. This can also deny the board the skills and experience of a director, which is not (generally speaking) in the best interests of the company. There is also potential for the Minister and boards to be significantly distracted by allegations of conflicts. The need to address each allegation can be time-consuming.

Accordingly, the Minister wishes to convey to all directors that the company should not engage in an on-going arrangement with an organisation in which a director has an interest of the nature outlined in this letter.

The Minister is of the view that Crown companies should be beyond reproach. Following the expectations of the Minister described in this statement should ensure that this is so. In the event that exceptions to these measures appear appropriate, they should be referred to the Minister.

Agreement to Accept Appointment

Hon XXX XXXXXX
Minister for XXXXXXXX
PARLIAMENT BUILDINGS
WELLINGTON 6160

Dear Minister

I acknowledge receipt of your letter reappointing me as a director of ENTITY Ltd for a period from DATE up to DATE.

I accept that I will hold office at the pleasure of shareholding Ministers, and that I may be removed as a director at any time, and for any reason, by written notice by shareholding Ministers to the company.

I will ensure that I keep myself fully familiar with the obligations and responsibilities of the position, and ensure that the company has taken any necessary steps to arrange for an indemnity and/or insurance for me in my position as a director.

I undertake to advise you, via the Treasury, of any change in my circumstances that may have an impact on my ability to continue to serve on the Board.

Yours sincerely

xxx XXXXXXXXXX

Date:

Please return via email to: appointments@treasury.govt.nz

NAME of new appointment
Email.address@.com

Dear NAME

I have pleasure in formally appointing you as a MEMBER of ENITITY for a period from DATE up to DATE.

- The appointment is made under sections 28-35 of the Crown Entities Act 2004 and is on the basis that you:
 - have consented in writing to be a director
 - are not disqualified from being appointed, or holding office as, a director of a Crown entity company, and
 - have disclosed the nature and extent of the interests that you have, or are likely to have, in matters relating to the company.

If, at any time after your appointment, you become disqualified from holding office as a director of a Crown entity company you must inform the shareholders immediately. The appointment is also subject to the satisfactory completion of background checks.

Please note that you will hold office at the pleasure of shareholding Ministers, and that you may be removed as a director at any time, and for any reason, by written notice by shareholding Ministers to the company.

On taking up this appointment you will ensure that you are appropriately indemnified and insured by the company. You could discuss this with the company's management. You are welcome to take out additional insurance at your own cost if you wish.

You will be aware that responsibilities placed upon board members have increased in recent years and are still subject to significant change from time to time. If you have not already done so, I strongly recommend that you make yourself familiar with the legal rights and obligations of board members. A key element of your obligation is the need for confidentiality with regard to the board and board committee discussions.

Schedule 1 to this letter sets out the shareholder's expectations in regard to the avoidance of conflict of interest situations by directors of Crown company boards.

It is also possible that you may be placed in a situation where, as a result of circumstances which are not related to your position as a MEMBER of ENITITY, your continuing to act as a Director might nevertheless place the company or the shareholders in a position of embarrassment. Consistent with your duty to act in the best interests of the company, if you find yourself in such a situation you must take

the initiative and raise the matter with the Chair and, if appropriate, me. While there are no set criteria for such situations, examples include:

- where legal proceedings have been, or are likely to be, brought against the director
- where the director has been, or is likely to be, subject to negative media or public scrutiny
- where the director is placed in a situation of actual or perceived conflict of interest
- any issue affecting the director's ability to contribute to the board (for example, as a result of other time pressures, extended overseas travel (i.e. more than two months), illness, etc), and
- any other similar circumstance which may place the company or the shareholders in a position of embarrassment.

I also expect you to familiarise yourself with the contents of the Owner's Expectations document which outlines shareholding Ministers' expectations of the companies fully or partially owned by the Crown. The manual and related updates are at <https://treasury.govt.nz/publications/guide/owners-expectations-manual>.

Please also ensure that you have familiarised yourself with the Code of Conduct for Directors of Crown Entity Board Members, available on the [Te Kawa Mataaho Public Service Commission website](#), which sets out minimum standards of integrity and conduct you are expected to follow. The Code reinforces the requirement of political neutrality which requires all Crown entity Board members to act in a politically impartial manner, irrespective of their political interests. Consistent adherence to this Code is critical to ensure that Crown boards and board members conduct themselves in a way that maintains public trust and confidence.

I congratulate you on this reappointment and look forward to your contribution. If you wish to accept this reappointment, please sign the enclosed "Agreement to Accept Appointment" and return it via email as per the email address on the declaration.

Yours sincerely

Hon XXX XXXXX
Minister of XXXXXXXX

Enc
*Crown Company Directors - Management of Conflicts of Interest - Schedule 1
Agreement to Accept Appointment*

Cc: appointments@treasury.govt.nz

Crown Company Directors – Management of Conflicts of Interest – Schedule 1

It is necessary that new appointees to Crown company boards be advised of the expectations of shareholding Ministers with regard to the management of conflicts of interest that may arise in the course of their term as a director.

Directors occupy a fiduciary position, which requires a director to act bona fide in what the director considers is in the best interests of the company. Accordingly, directors are required by law not to place themselves in a position of a conflict of interest other than to the extent allowed under the Companies Act 1993 and the company's constitution.

It is expected that all directors make themselves familiar with the obligations required of a director in terms of the Companies Act 1993. Nothing in this statement obviates any directors' responsibility in this regard. However, it is important that appointees are aware of the additional expectations of the shareholding Ministers with regard to conflicts of interests.

Shareholding Ministers expect that no director on the board of a Crown-owned company or subsidiary company will undertake work for that company. This expectation is not intended to preclude a director from undertaking assignments for the board which properly fall within the definition of a director's duties, but would preclude the director carrying out, say, a consulting assignment for the management of the company.

Shareholding Ministers also expect that directors of Crown-owned companies should not be placed in a conflict of interest through the involvement of an organisation with which the director has an ongoing substantial commercial or professional interest or employment, with a Crown-owned company of which they are a director. Two situations that could create a conflict of interest where Crown-owned companies engage organisations in which directors have such an interest are:

1. Where the organisation has been engaged for a one-off, specific assignment.
2. Where the organisation engaged has an on-going involvement with the Crown-owned company.

With regard to the first situation, shareholding Ministers consider that, provided the director concerned declares his/her interest in the organisation to be engaged for the assignment and takes the appropriate actions under the Companies Act 1993 and the company's constitution (eg refraining from voting), it is unlikely that the organisation need be excluded from undertaking the assignment. To exclude the organisation could unduly penalise organisations from competing for business, especially when they operate in highly specialised areas.

However, boards of Crown-owned companies will also need to consider whether the affected director should be party to the service to be provided by his/her organisation to the Crown-owned company. Shareholding Ministers expect directors in this situation to distance themselves from the provision of service or advice although, in a highly specialised sector, this may not always be possible. The company's board should give careful consideration to a director's involvement in deliberations on the assignment.

The second situation referred to above causes shareholding Ministers greater concern, ie where the organisation engaged has an on-going involvement with the Crown-owned company.

The situation can arise from the company engaging, say, legal, accounting or other professional advice or services. Many of these firms are the source of a large number of directors and the potential for conflicts of interest is high.

In principle, the conflict of interest provisions in the Companies Act 1993 and the company's constitution should provide adequate protection against allegations of conflicts of interest, but shareholding Ministers have additional concerns that those provisions do not entirely remedy. A director who frequently stands aside from board decision-making places a greater burden on the remainder of the board. This can also deny the board the skills and experience of a director, which is not (generally speaking) in the best interests of the Crown-owned company. There is also potential for Ministers and boards to be significantly distracted by allegations of conflicts, as the need to address each allegation can be time-consuming.

Accordingly, shareholding Ministers wish to convey to all directors an expectation that Crown-owned companies should not engage in an on-going arrangement with an organisation in which a director has an interest of the nature outlined in this letter.

Shareholding Ministers are of the view that Crown-owned companies should be beyond reproach. Following the expectations of shareholding Ministers described in this statement should ensure that this is so. In the event that exceptions to these measures appear appropriate, they should be referred to the shareholding Ministers.

Official
Act 1982

Agreement to Accept Appointment

Hon XXX XXXX
Minister of XXXXX
PARLIAMENT BUILDINGS
WELLINGTON 6160

Dear Minister

I acknowledge receipt of your letter offering me appointment as MEMBER or ENITITY for a period from DATE up to DATE.

I confirm my acceptance of this reappointment on the terms and conditions of the reappointment letter.

I accept that I hold office at the pleasure of shareholding Ministers, and that shareholding Ministers can remove me as a director at any time, and for any reason, by written notice by shareholding Ministers to the company. I also accept that the appointment is subject to the satisfactory completion of background checks.

I will ensure that I keep myself fully familiar with the obligations and responsibilities of the position and ensure that the entity has taken any necessary steps to arrange for an indemnity and/or insurance for me in my position as a director.

I undertake to advise you, via the Treasury, of any change in my circumstances that may have an impact on my ability to continue to serve on the Board.

Yours sincerely

Xxx xxx XXXXXX

Date:

Please return signed acceptance via email to: appointments@treasury.govt.nz

NAME of new appointment
email.address@com

Dear NAME

I have pleasure in formally offering you appointment as a MEMBER of ENTITY for a period from DATE up to DATE.

The appointment is made under sections 28-35 of the Crown Entities Act 2004 and (insert entities other Acts here) and is on the basis that you:

- have consented in writing to being a member
- have certified that you are not disqualified from being a member
- have disclosed the nature and extent (including monetary value, if quantifiable) of all interests that you have, or are likely to have, in matters relating to the ENTITY.

If at any time after your appointment you become disqualified from holding office as a member you must inform me immediately. A list of the persons who are disqualified from holding office as a member is set out in section 30 of the Crown Entities Act 2004. The appointment is also subject to the satisfactory completion of background checks.

Please note that you will hold office at the pleasure of shareholding Ministers, and that you may be removed as a director at any time, and for any reason, by written notice by shareholding Ministers to the company.

On taking up this appointment you will ensure that you are appropriately indemnified and insured by the entity. You could discuss this with the entity's management. You are welcome to take out additional insurance at your own cost if you wish.

You will be aware that responsibilities placed upon board members have increased in recent years and are still subject to significant change from time to time. If you have not already done so, I strongly recommend that you make yourself familiar with the legal rights and obligations of board members. A key element of your obligation is the need for confidentiality with regard to the board and board committee discussions.

Schedule 1 to this letter sets out the Minister's expectations in regard to the avoidance of conflict of interest situations by members of Crown entities.

Please ensure that you have familiarised yourself with the Code of Conduct for Directors of Crown Entity Board Members, available on the [Te Kawa Mataaho Public Service Commission website](#), which sets out minimum standards of integrity and conduct you are expected to follow. The Code reinforces the requirement of political neutrality which requires all Crown entity Board members to act in a politically impartial manner, irrespective of their political interests. Consistent adherence to this Code is critical to ensure that Crown boards and board members conduct themselves in a way that maintains public trust and confidence.

It is also possible that you may be placed in a situation where, as a result of circumstances which are not related to your directorship of this particular entity, your continuing to act as a director of this entity might nevertheless place this entity or Ministers in a difficult position.

Consistent with your duty to act in the best of the entity, if you find yourself in such a situation you must take the initiative and raise the matter with the Treasury, and me, if appropriate. While there are no set criteria for such situations, examples include:

- where legal proceedings have been, or are likely to be, brought against the member
- where the member has been, or is likely to be, subject to negative media or public scrutiny
- where the member is placed in a situation of actual or perceived conflict of interest
- any issue affecting the member's ability to contribute to the board (for example, as a result of other time pressures, extended overseas travel (ie more than two months, illness, etc)
- where the member is appointed to any position as an employee of the Crown, or intends to undertake significant contract work for any Crown entity
- any other similar circumstance which may place the entity or Ministers in a difficult or embarrassing position.

I also expect you to familiarise yourself with the contents of the Owner's Expectations document which outlines shareholding Ministers' expectations of the companies fully or partially owned by the Crown. The manual and related guides are at <https://treasury.govt.nz/publications/guide/owners-expectations-manual>.

Your induction to the company is the responsibility of the chair and will be discussed directly with you.

I congratulate you on this appointment and look forward to your contribution. I would be grateful if you could sign the enclosed form acknowledging your appointment and return via email as per the address on the Acknowledgement of Appointment.

Yours sincerely

Hon XXX XXXXX
Minister of XXXXXX

Enc
*Crown Entity Board Members - Management of Conflicts of Interest - Schedule 1
Agreement to Accept Appointment*

Please return via email to: appointments@treasury.govt.nz

Crown Entity Board Members – Management of Conflicts of Interest – Schedule 1

It is necessary that new appointees to Crown entity boards be advised of the expectations of the Minister with regard to the management of conflicts of interest that may arise in the course of their term.

Board members occupy a fiduciary position, which requires them to act bona fide in what the board member considers is in the best interests of the entity. Accordingly, board members are required not to place themselves in a position of a conflict of interest other than to the extent allowed under the Crown Entities Act 2004.

It is expected that all board members make themselves familiar with their obligations under the Crown Entities Act 2004. Nothing in this statement obviates any board member responsibility in this regard. However, it is important that appointees are aware of the additional expectations of the Minister with regards to conflicts of interests.

The Minister expects that no member of the Board of the ENTITY or its subsidiaries will undertake work for the ENTITY. This expectation is not intended to preclude a board member from undertaking assignments for the Board which properly fall within the definition of a board member's duties, but would preclude the board member carrying out, say, a consulting assignment for the management of the ENTITY.

The Minister also expects that board members of the ENTITY should not be placed in a conflict of interest through the involvement of an organisation with which the board member has an ongoing substantial commercial or professional interest or employment, with a Crown entity of which they are a board member. Two situations that could create a conflict of interest where Crown entities engage organisations in which board members have such an interest are:

1. Where the organisation has been engaged for a one-off, specific assignment.
2. Where the organisation engaged has an on-going involvement with the Crown entity.

With regard to the first situation, the Minister considers that, provided the concerned board member declares his/her interest in the organisation to be engaged for the assignment and takes the appropriate actions under the Crown Entities Act 2004 (eg refraining from voting), it is unlikely that the organisation need be excluded from undertaking the assignment. To exclude the organisation could unduly penalise organisations from competing for business, especially when they are in highly specialised areas.

However, the Board of the ENTITY will also need to consider whether the affected board member should be party to the service to be provided by his/her organisation to the ENTITY. The Minister expects a board member in this situation to distance themselves from the provision of service or advice although, in a highly specialised sector, this may not always be possible. The ENTITY Board should give careful consideration to a board member's involvement in deliberations on the assignment.

The second situation referred to above causes the Minister greater concern, ie where the organisation engaged has an on-going involvement with the ENTITY.

The situation can arise from the company engaging, say, legal, accounting or other professional advice or services. Many of these firms are sources for a large number of board members and the potential for conflicts of interest is high.

In principle, the conflict of interest provisions in the Crown Entities Act 2004 should provide adequate direction against allegations of conflicts of interest, but the Minister has additional concerns that those provisions may not entirely remedy the situation. A board member who frequently stands aside from board decision-making places a greater burden on the remainder of the board. This can also deny the board the skills and experience of a board member, which is not (generally speaking) in the best interests of the ENTITY. There is also potential for the Minister and boards to be significantly distracted by allegations of conflicts. The need to address each allegation can be time-consuming.

Accordingly, the Minister wishes to convey to all board members an expectation that the ENTITY should not engage in an on-going arrangement with an organisation in which a board member has an interest of the nature outlined in this letter.

The Minister is of the view that the ENTITY should be beyond reproach. Following the expectations of the Minister described in this statement should ensure that this is so. In the event that exceptions to these measures appear appropriate, they should be referred to the Minister.

Official Information
Act 1982

Hon XXX XXXXX
Minister of XXXXXXXX
PARLIAMENT BUILDINGS
WELLINGTON 6160

Dear Minister

I acknowledge receipt of your letter offering me appointment as member of ENTITY for a period from DATE up to DATE.

I confirm my acceptance of this appointment on the terms and conditions of the appointment letter.

I will ensure that I keep myself fully familiar with the obligations and responsibilities of the position, and ensure that the entity has taken any necessary steps to arrange for an indemnity and/or insurance for me in my position as a board member.

I undertake to advise you, via the Treasury, of any change in my circumstances that may have an impact on my ability to continue to serve on the ENTITY Board.

Yours sincerely

Xxxxx xxxx XXXXXX

Date:

Please return signed acceptance via email to: appointments@treasury.govt.nz

Hon Paul Goldsmith

Minister for Arts, Culture and Heritage
Minister of Justice
Minister for Media and Communications
Minister for State Owned Enterprises
Minister for Treaty of Waitangi Negotiations



Dear

I have pleasure in formally appointing you as a governor of Radio New Zealand Ltd (RNZ) from 1 September 2024 up to 31 August 2027.

The appointment is made under sections 28-35 of the Crown Entities Act 2004 and is on the basis that you:

- have consented in writing to be a governor
- are not disqualified from being appointed, or holding office as, a director of a Crown entity company, and
- have disclosed the nature and extent of the interests that you have, or are likely to have, in matters relating to the company.

If, at any time after your appointment, you become disqualified from holding office as a governor of a Crown entity company you must inform the shareholders immediately. The appointment is also subject to the satisfactory completion of background checks.

I should point out that you will hold office at the pleasure of shareholding Ministers, and that you may be removed as a governor at any time, and for any reason, by written notice by shareholding Ministers to the company.

You will be aware that responsibilities placed upon board directors have increased in recent years and are still subject to significant change from time to time. If you have not already done so, I strongly recommend that you make yourself familiar with the legal rights and obligations of board directors. A key element of your obligation is the need for confidentiality with regard to the board and board committee discussions.

I expect that on taking up this appointment you will ensure that you are appropriately indemnified and insured by the company, which may require a new board resolution and certificate. You could discuss this with the company's management. You are also welcome to take out additional insurance at your own cost if you wish.

Schedule 1 to this letter sets out the shareholders' expectations in regard to the avoidance of conflict of interest situations by directors of Crown company boards. It is also possible that you may be placed in a situation where, as a result of circumstances which are not related to your position as a Governor of RNZ, your continuing to act as a governor might nevertheless place the company or the shareholders in a position of embarrassment.

Consistent with your duty to act in the best interests of the company, if you find yourself in such a situation you must take the initiative and raise the matter with the chair and, if appropriate, me. While there are no set criteria for such situations, examples include:

- where legal proceedings have been, or are likely to be, brought against the director
- where the director has been, or is likely to be, subject to negative media or public scrutiny
- where the director is placed in a situation of actual or perceived conflict of interest
- any issue affecting the director's ability to contribute to the board (for example, as a result of other time pressures, extended overseas travel (i.e. more than two months), illness, etc)
- where the director is appointed to any position as an employee of the Crown, or intends to undertake significant contract work for any Crown agency, and
- any other similar circumstance which may place the company or the shareholders in a position of embarrassment.

I also expect you to familiarise yourself with the contents of the Owner's Expectations document which outlines shareholding Ministers' expectations of the companies fully or partially owned by the Crown. The manual and related guides are at <https://treasury.govt.nz/publications/guide/owners-expectations-manual>.

Please ensure that you have familiarised yourself with the [Code of Conduct For Crown Entity Board Members - Te Kawa Mataaho Public Service Commission](#), which sets out minimum standards of integrity and conduct which you are expected to follow. The Code reinforces the requirement of political neutrality which all Crown entity board members are expected to follow. This includes acting in a politically impartial manner, irrespective of personal political interests. Consistent adherence to this Code is critical to ensure that Crown boards and board members conduct themselves in a way that maintains public trust and confidence.

Ministers accord board, chair and director performance a high priority in ensuring that shareholder expectations are being met. As a governor of RNZ you are expected to have your performance evaluated in a manner intended to guide you in being a successful, contributing governor of the board.

I congratulate you on this appointment and look forward to your contribution. I would be grateful if you could sign the enclosed form acknowledging this appointment and return via email as per the address on the Acknowledgment.

Yours sincerely

Hon Paul Goldsmith
Minister for Media and Communications
on behalf of shareholding Ministers

Enc
*Crown Company Directors Management of Conflicts of Interest – Schedule 1
Agreement to Accept Appointment*

Crown Company Directors Management of Conflicts of Interest – Schedule 1

It is necessary that appointees to Crown company boards be advised of the expectations of shareholding Ministers with regard to the management of conflicts of interest that may arise in the course of their term as a director.

Directors occupy a fiduciary position, which requires a director to act bona fide in what the director considers is in the best interests of the company. Accordingly, directors are required by law not to place themselves in a position of a conflict of interest other than to the extent allowed under the Companies Act 1993, the Crown Entities Act 2004 and the company's constitution.

It is expected that all directors make themselves familiar with the obligations required of a director in terms of the Companies Act 1993 and the Crown Entities Act 2004. Nothing in this statement obviates any directors' responsibility in this regard. However, it is important that appointees are aware of the additional expectations of the shareholding Ministers with regards to conflicts of interests.

Shareholding Ministers expect that no director on the board of a Crown-owned company or subsidiary company will undertake work for that company. This expectation is not intended to preclude a director from undertaking assignments for the board which properly fall within the definition of a director's duties, but would preclude the director carrying out, say, a consulting assignment for the management of the company.

Shareholding Ministers also expect that directors of Crown-owned companies should not be placed in a conflict of interest through the involvement of an organisation with which the director has an ongoing substantial commercial or professional interest or employment, with a Crown-owned company of which they are a director. Two situations that could create a conflict of interest where Crown-owned companies engage organisations in which directors have such an interest are:

1. Where the organisation has been engaged for a one-off, specific assignment, and
2. Where the organisation engaged has an on-going involvement with the Crown-owned company.

With regard to the first situation, shareholding Ministers consider that, provided the director concerned declares his/her interest in the organisation to be engaged for the assignment and takes the appropriate actions under the Companies Act 1993, the Crown Entities Act 2004 and the company's constitution (eg. refraining from voting), it is unlikely that the organisation needs be excluded from undertaking the assignment. To exclude the organisation could unduly penalise organisations from competing for business, especially when they are in highly specialised areas.

However, boards of Crown-owned companies will also need to consider whether the affected director should be party to the service to be provided by his/her organisation to the Crown-owned company.

Shareholding Ministers expect directors in this situation to distance themselves from the provision of service or advice although, in a highly specialised sector, this may not always be possible. The company's board should give careful consideration to a director's involvement in deliberations on the assignment.

The second situation referred to above causes shareholding Ministers greater concern, ie. where the organisation engaged has an on-going involvement with the Crown-owned company.

The situation can arise from the company engaging, say, legal, accounting or other professional advice or services. Many of these firms are the source of a large number of directors and the potential for conflicts of interest is high.

In principle, the conflict of interest provisions in the Companies Act 1993, the Crown Entities Act 2004 and the company's constitution should provide adequate protection against allegations of conflicts of interest, but shareholding Ministers have additional concerns that those provisions do not entirely remedy. A director who frequently stands aside from board decision-making places a greater burden on the remainder of the board. This can also deny the board the skills and experience of a director, which is not (generally speaking) in the best interests of the Crown-owned company. There is also potential for Ministers and boards to be significantly distracted by allegations of conflicts. The need to address each allegation can be time-consuming.

Accordingly, shareholding Ministers wish to convey to all directors that Crown-owned companies should not engage in an on-going arrangement with an organisation in which a director has an interest of the nature outlined in this letter.

Shareholding Ministers are of the view that Crown-owned companies should be beyond reproach. Following the expectations of shareholding Ministers described in this statement should ensure that this is so. In the event that exceptions to these measures appear appropriate, they should be referred to the shareholding Ministers.

Official
Act 1982

Hon Paul Goldsmith
Minister for Media and Communications
PARLIAMENT BUILDINGS
WELLINGTON 6160

Dear Minister

I acknowledge receipt of your letter appointing me as a governor of Radio New Zealand Ltd from 1 September 2024 up to 31 August 2027.

I accept that I hold office at the pleasure of shareholding Ministers, and that I may be removed as a governor at any time, and for any reason, by written notice by shareholding Ministers to the company. I also accept that the appointment is subject to the satisfactory completion of background checks.

I will ensure that I keep myself fully familiar with the obligations and responsibilities of the position, and ensure that the company has taken any necessary steps to arrange for an indemnity and/or insurance for me in my position as a governor.

I confirm that I am not disqualified from being appointed, or holding office, as a governor. I also confirm that I have, to the best of my knowledge, advised the Treasury of all relevant facts about me that the shareholders should be aware of in considering me for appointment. I undertake to advise the Minister, via the Treasury, of any change in my circumstances that may have an impact on my ability to continue to serve on the Board.

Yours sincerely

Date:

Please return via email to: appointments@treasury.govt.nz