

Governance Statement | Te Tauāki Mana Arataki

This statement is an overview of the University's main governance policies, practices and processes followed by the Council.

Compliance with NZX best practice code and other guidelines

The NZX Listing Rules require issuers to disclose in their annual report whether and to what extent their governance principles materially differ from the NZX Corporate Governance Best Practice Code. There are no significant differences from NZX Corporate Governance Best Practice Code other than to reflect that the University is governed by the Education Act 1989 (Education Act). The University is also required to comply with the Crown Entities Act 2004, as it applies to Tertiary Education Institutions, and with the Financial Markets Conduct Act 2013.

Please note that the University's Philanthropic Bond, which brought UC into the ambit of NZX Listing Rules, was paid back to investors on 16 December 2019 and UC has now delisted from NZX and hence compliance with the NZX Listing Rules.

The following section summarises the key governance and compliance policies and procedures in place.

Code of Conduct

The University expects Council Members to maintain high ethical standards that are consistent with its core values, business objectives and legal and policy obligations.

A Register of Interests is maintained for all Council members and is published in all meeting agendas. Conflicts of interest are a standing item on the agenda of all meetings. A member of the Council or of a committee of the Council who has an interest in a matter being considered or about to be considered by the Council or the committee is required under the Education Act to, as soon as possible after the relevant facts have come to the Council Member's knowledge, disclose the nature of the interest at a meeting of the Council or committee.

A formal Handbook has been adopted by the Council. The Handbook sets the ethical standards expected of Council Members and deals specifically with receipt and use of information, receipt and use of assets and property, delegated authorities, compliance with applicable laws, regulations, rules and policies and a general obligation to act honestly and in the best interest of the University.

Role of the Council

The Council is the governing body of the University. It is responsible for the governance of the University, and its powers are set out in the Education Act. Its powers include the oversight of the University's policy, degree, financial and capital matters.

Under the constitution, gazetted by the Minister for Tertiary Education, Skills and Employment in June 2015, the Council is comprised of:

- (a) Four members appointed by the Minister;
- (b) The Vice-Chancellor of the University;
- (c) One permanent member of the academic staff of the University elected by the permanent members of that staff;
- (d) One permanent member of the general staff of the University elected by the permanent members of that staff;
- (e) One member who is a student of the University elected by the students of the University;
- (f) One member appointed by the Council, following consultation with Te Rūnanga o Ngāi Tahu;
- (g) Three members co-opted by the Council, two of whom must be alumni of the University.

The term of office of members of the Council, vacation of office, disclosure of members' interest and casual vacancies are covered in sections 173–176E of the Education Act 1989. Subject to section 173, the number of occasions on which a person, other than the Vice-Chancellor, may be appointed as a member of the Council is the number that, for that person, ensures that the total period for which they are a member of the council does not exceed 12 years.

Council Members (other than the Vice-Chancellor) are paid fees at such rates (not exceeding the maximum rates fixed by the Minister in accordance with the fees framework determined by the Government from time to time) as the Council determines.

Delegation of authority

The Council delegates its authority where appropriate to the Vice-Chancellor for the day-to-day affairs of the University and in certain situations to the Academic Board. Formal policies and procedures exist that detail the delegated authorities and parameters that the Vice-Chancellor and in turn, her direct reports, are able to operate within.

Continuous disclosure obligations

Continuous disclosure obligations of NZX require all issuers to advise the market about any material events and developments as soon as they become aware of them. The University complies with these obligations on an ongoing basis. As noted above, the University has delisted from NZX following repayment of its \$50M Philanthropic Bond on 16 December 2019.

Operation of the Council

The Council meets regularly (usually monthly) for meetings. Key executives attend Council meetings by invitation. For each meeting, the Vice-Chancellor prepares a report to the Council that includes a summary of the University's activities, together with financial reports and operational updates. In addition, the Council receives regular briefings on key strategic issues from management.

The University offers a Council Member's induction for newly appointed Council Members. All Council Members have advice from the Tertiary Education Commission on the governance role they fulfil and are provided with a detailed handbook of University policies, procedures

and protocols. Other governance development courses, principally through the Institute of Directors, are also supported. The Council Secretary, the University Registrar, is available for advice at any time.

Vice-Chancellor

The Council is responsible for the evaluation of the Vice-Chancellor against her key performance objectives and is responsible for the setting of these objectives on a periodic basis and ensuring that they are appropriate measurable targets.

Independence of Council Members

It has been determined by the Council that all Council Members are independent except for Professor Cheryl de la Rey, Professor Roger Nokes, Mr Malcolm Peterson Scott; Ms Liz Bond, and Sam Brosnahan.

Council Committees

The following standing committees have been established to assist in the execution of the Council's responsibilities. Each of these committees has terms of reference outlining its responsibilities and objectives.

Finance, Planning and Resources Committee

This committee meets monthly and as at the end of the financial year comprised Mr Peter Ballantyne (Chair), Ms Sue McCormack, Professor Cheryl de la Rey, Mr Steven Wakefield, Mr Sam Brosnahan, Professor Roger Nokes and Mr Warren Poh.

The Finance, Planning and Resources Committee is responsible for reporting and recommending to Council on financial planning, budgeting and monitoring of expenditure and financial performance matters. The committee will also recommend and report to Council on capital planning, major capital projects and project post-implementation reviews including recommendations on the capital planning, expenditure and monitoring protocols.

The Chair of the Audit and Risk Committee, Deputy Vice-Chancellor, Chief Financial Officer and Registrar (Secretary) are also in attendance.

Audit and Risk Committee

The Audit and Risk Committee at the end of the financial year comprised Ms Keiran Horne (Chair), Ms Sue McCormack, Mr Steven Wakefield, Mr Peter Ballantyne, Mr John Holland, and Mr Shayne Te Aika.

The Audit and Risk Committee is responsible for monitoring the ongoing effectiveness of risk management activities. The committee monitors trends in the University's risk profile and considers how it manages or mitigates key risk exposures. The University implements risk management through its business processes of planning, budgeting, investment and project analysis, and operations management, and uses internal audit processes to review performance in various areas.

The committee also monitors and oversees the quality of financial reporting and financial management. In order to achieve this the committee considers accounting and audit issues and makes recommendations to the Council as required and monitors the role, responsibility and performance of the internal and external auditors.

The function of the Audit and Risk Committee is to assist the Council in carrying out its responsibilities under the Education Act, Crown Entities Act 2004, Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013 on matters relating to the University's accounting practices, policies and controls relevant to the financial position and to liaise with internal and external auditors on behalf of the Council.

The Council student representative, Vice-Chancellor, Deputy Vice-Chancellor, Chief Financial Officer and Registrar (Secretary) are in attendance at Committee meetings as are the internal and external auditors on occasion.

Vice-Chancellor Employment Committee (VCEC)

The Vice-Chancellor Employment Committee at the end of the financial year comprised Ms Sue McCormack (Chair), Mr Steven Wakefield, Ms Jo Appleyard and Mr Peter Ballantyne.

The primary purpose of the committee is to review the Vice-Chancellor's remuneration package and performance. These reviews form the basis of recommendations to the Council for which concurrence is then sought from the State Services Commissioner.

Honours and Appointments Committee

The Honours and Appointments Committee at the end of the year comprised Ms Sue McCormack (Chair), Mr Steven Wakefield, Professor Cheryl de la Rey and Mr Peter Ballantyne.

The primary purpose of the committee is to consider expressions of interest and make recommendations to Council on appointments to Council, Council committees and external bodies on which the University is represented. The committee also considers nominations for the award of honorary doctorates and Emeritus Professor status and makes recommendations to Council.

Audit governance and independence

The work of the external auditor is limited to audit and related work only. The University is committed to auditor independence.

Reporting and disclosure

Annual and Six Monthly Reports in accordance with the requirements of the Education Act 1989, Crown Entities Act 2004, Financial Markets Conduct Act 2013 and the NZX Listing Rules are communicated on a periodic basis to all bondholders. The Annual Report is audited.

The University website provides regular updates to bondholders. The Annual Report is available online at our website www.canterbury.ac.nz.

Bondholder relations

As noted above, the University delisted from NZX in December 2019. The Council's policy is to ensure that bondholders are informed of all major and strategic developments affecting the University's state of affairs. The University releases all material information to the NZX under its continuous disclosure requirements.