



BOARD CHARTER

**INTERNATIONAL TAEKWON-DO
FOUNDATION OF NEW ZEALAND
INCORPORATED**

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Signed by Board Chair _____

Date: 7 August 2011

Signed by Board Member _____

Date: 7 August 2011



SECTION I. INTRODUCTION

ARTICLE 1. PURPOSE OF CHARTER

- 1.1 The Board Charter sets out the role, and responsibilities of the Board of The International Taekwon-Do Foundation of New Zealand Incorporated (“the Foundation”) within the governance structure of the Foundation and its wholly owned entities (“the Foundation Group”).
- 1.2 The purpose of this Board Charter is to provide high standards of corporate governance and to clarify the role and responsibility of the Board.
- 1.3 The conduct of the Board is also governed by the Constitution of the Foundation.

ARTICLE 2. REVIEW OF CHARTER

- 2.1 The Board shall undertake a review of the Charter and its objectives and activities once every two years to ensure it remains consistent with the Board’s objectives and responsibilities.

ARTICLE 3. PUBLICATION OF CHARTER

- 3.1 Key features of the Charter are to be outlined in the annual report to Members and stakeholders.
- 3.2 A copy of the Charter shall be available on the Foundation’s website.
- 3.3 The Charter is to be made available to the Council of the Foundation upon request.

ARTICLE 4. EXECUTION

- 4.1 Adopted by the Board of the International Taekwon-Do Foundation of New Zealand Incorporated on DD MMM 2011



SECTION II. CHARTER

ARTICLE 5. OPERATION OF THE BOARD

- 5.1 Ensure the Foundation's actions are consistent with Objects of the Foundation
- 5.2 Each of the Board Members and all of the Foundation's management are fully committed to high standards of corporate governance, which includes embracing the following principles:
- a. to observe high standards of ethical and moral behaviour;
 - b. to act in the best interests of stakeholders* and members;
 - c. to ensure the Foundation acts as a socially responsible organisation; and
 - d. to be a responsible employer.

ARTICLE 6. MEMBERSHIP

- 6.1 The Foundation Constitution provides for a six Board Members, three of who are Elected Board Members, elected to the Board at the Annual General Meeting of the Foundation by the Council and three who are Appointed Board Members. The Board has adopted a skills matrix that is used by the Appointment Panel when appointing Board Members. The Board may review the skills matrix from time to time.
- 6.2 The Board should comprise:
- a. Board Members with an appropriate range of skills and experience;
 - b. Board Members who have a proper understanding of, and competence to deal with current and emerging issues of the Foundation; and
 - c. Board Members who can effectively review and challenge the performance of management and exercise independent judgement.
- 6.3 The Board shall consist of a majority of independent non-executive Board Members. A non-executive Board Member is considered to be "independent" providing they, and any Associated Person or Related Party of the Board Member:
- a. have not been employed in an executive capacity by the Foundation or its subsidiaries, within the last three years, or has been a Board Member after ceasing to hold any such employment;
 - b. is not a principal or employee of a professional advisor to the Foundation and/or its subsidiaries whose billing exceeds five percent of the advisor's total revenues;
 - c. is not a significant supplier to or customer of the Foundation or its subsidiaries,



- (i) a significant supplier is defined as one whose revenues from the Foundation, or as a result of association with or approval from the Foundation, exceed five percent of the supplier's total revenue; and
 - (ii) a significant customer is defined as one whose purchases from the company exceed five percent of the customer's total purchases;
- d. has no material contractual relationship with the Foundation or its subsidiaries;
 - e. is not a member of, and has no close family ties with, Management of the Foundation or its subsidiaries; and
 - f. has no other interest or relationship that could interfere with their ability to act in the best interests of the Foundation and independently of Management;
 - g. the Board determines the director is independent in character and judgement.
- 6.4 The Foundation's President and the Appointment Panel is responsible for the identification and recommendation of candidates for appointment to the Board.
- 6.5 Board Members will be appointed or elected pursuant to formal letters of appointment setting out the key terms and conditions of the appointment / election to ensure that Board Members clearly understand the expectations of the Foundation and the Board.

ARTICLE 7. BOARD RESPONSIBILITIES

- 7.1 The primary responsibility of the Board is to exercise their business judgement to act in what they believe to be the best interests of the Foundation and its stakeholders and Members. In discharging that obligation, Board Members should be entitled to rely on the honesty and integrity of the Foundation's senior staff and its outside advisors and auditors.
- 7.2 The Board is responsible for promoting the success of the Foundation Group in a manner designed to create and build sustainable value for Members and in accordance with the duties and obligations imposed upon them by the Foundation's Constitution and law, while taking due regard to other stakeholder interest.
- 7.3 It is the Board's responsibility to take appropriate steps to protect and enhance the value of the assets and reputation of the Foundation in the best interests of its stakeholders and Members. The Board will ensure that at the heart of the organisation there is a culture of honesty, integrity and excellent performance. In furtherance of its responsibilities, the Board will:
- a. be actively engaged in directing and approving the strategic planning of the Foundation and monitoring management's implementation of the strategies; and

- b. settings appropriate delegated authority and operating frameworks of the Foundation and monitoring management's performance within those frameworks; and
- c. ensuring there are adequate resources available to meet the Foundation's Objects; and
- d. appointing, removing (if necessary) and reviewing the performance of the Foundation's Chief Executive Officer and overseeing succession plans for the senior executive team; and
- e. review and approve the annual plan, capital, financial and operating budget, and monitor financial performance and integrity of reporting and capital management and monitoring the financial solvency of the Foundation; and
- f. approving timely and balanced communication to the Council, members and other stakeholders; and
- g. ensure that effective audit, risk management and compliance systems are in place to protect the Foundation's assets and to minimise the possibility of the Foundation operating beyond legal requirements or beyond acceptable risk parameters; and
- h. promoting and authorising ethical and responsible decision-making by the Foundation; and
- i. ensuring the Foundation has appropriate corporate governance structures in place including standards of ethical behaviour; and
- j. ensuring that the Board and management is and remains appropriately skilled to meet the changing needs of the Foundation; and
- k. act in such a way that Board meetings and discussion promote focused debate within a supportive team atmosphere; and
- l. safeguard and enhance the image and reputation of the Foundation.

7.4 The Board has delegated authority for the operations and administration of the Foundation to the Chief Executive Officer

ARTICLE 8. BOARD COMMITTEES

8.1 The Board may discharge any of its responsibilities through committees of the Board in accordance with the Foundation's Constitution. The Board has established an:

- a. Audit and Risk Committee

ARTICLE 9. BOARD AND MANAGEMENT

- 9.1 Responsibility for the day-to-day management and administration of the Foundation is delegated by the Board to the Foundation's Chief Executive Officer, assisted by the executive team ("management").
- 9.2 While the day-to-day responsibility for the operation of the business is delegated to management, there are a number of matters which are required to be, or that in the interests of the Foundation should be, decided upon only by the Board as a whole. The Board has therefore formally adopted a list of "Matters Reserved for the Board" for which no delegation is permitted.
- 9.3 The Foundation Chief Executive Officer manages the Foundation in accordance with the strategy, plans and delegations approved by the Board.
- 9.4 The Board has implemented appropriate procedures to assess management's performance.

ARTICLE 10. CHAIR OF THE BOARD

- 10.1 The Chair of the Board is appointed by the Board Members under the Constitution of the Foundation.
- 10.2 The role and responsibilities of the Chair include:
- a. chair Board meetings;
 - b. providing leadership to the Board and to the Foundation;
 - c. ensuring the efficient organisation and conduct of the Board;
 - d. monitoring Board performance annually;
 - e. facilitating Board discussions to ensure core issues facing the Foundation are addressed;
 - f. briefing all Board Members in relation to issues arising at Board meetings;
 - g. facilitating the effective contribution and ongoing development of all Board Members; and
 - h. promoting consultative and respectful relations between Board members and between the Board and management.
- 10.3 Should the Chair be absent from a meeting, the remaining Board Members shall select a Chair for that particular meeting, providing a quorum remains.

ARTICLE 11. RESPONSIBILITY OF INDIVIDUAL BOARD MEMBERS

11.1 Board Members are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Board Members. Broadly these include:

- a. acting in good faith and in the best interests of the Foundation as a whole;
- b. acting with care and diligence and for proper purpose;
- c. avoiding conflicts of interest wherever possible; and
- d. refraining from making improper use of information gained through the position of Board Member and from taking improper advantage of the position of Board Member.

11.2 Board Members are expected to support the letter and spirit of Board decisions.

11.3 Board Members will keep Board information, discussions, deliberations and decisions which are not publicly known confidential.

ARTICLE 12. CONFLICTS OF INTEREST

12.1 Board Members must:

- a. disclose to the Board any actual or potential conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue;
- b. take any necessary and reasonable measures to try to resolve the conflict; and

12.2 If a conflict or potential situation exists, it is expected that the conflicted Board Member shall be absent from the meeting whilst the Board discusses and not vote on the matter, unless the other Board Members who do not have a material personal interest in the matter have passed a resolution that states that those Board Members are satisfied that the interest should not disqualify the Board Member from voting or being present.

12.3 Board Members are expected to advise the Chair of any proposed Board or executive appointment to other entities as soon as practicable.

ARTICLE 13. ACCESS TO INFORMATION AND INDEPENDANT ADVICE

13.1 Board Members may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgement in decision making. Independent professional advice includes legal advice and the advice to accountants and other professional financial advisors on the matter of law, accounting and other regulatory matters, but excludes advice concerning the personal interests of the Board Member concerned (such as service contracts with the Foundation or disputes with the Foundation). Any advice

obtained under this procedure will be made available to the other members of the Board.

13.2 Board Members will be entitled to:

- a. have access to members of management via the Foundation's Chief Executive Officer at any time to request relevant and additional information or seek explanations;
- b. have access to internal and external auditors, without management present to seek explanations or additional information; and
- c. seek independent professional advice with the Chair's consent, which will not be unreasonably withheld or delayed, and which will be at the Foundation's expense.

ARTICLE 14. MEETINGS AND PROCEDURES

14.1 The Board will meet at least four times a year and otherwise as necessary to deal with any urgent matters. As provided by the Foundation's Constitution, the Board Members may meet together to attend to business and adjourn and otherwise regulate their meetings as they decide. Board Members should spend the time necessary and meet as frequently as necessary to properly discharge their responsibilities.

14.2 A quorum for Board Meetings is four directors, as laid out Article 25 of in the Foundation's Constitution.

14.3 Board Meetings may be held by Board Members communicating with each other through any technological means by which they can participate in discussion even though they may not be physically present in the same place.

14.4 Board Members may pass or approve resolutions of the Board by written resolution by adopting the procedures set out in Article 25.7 of the Foundation's Constitution.

14.5 The Chair will establish the agenda for each Board meeting. Standing items will include the Chief Executive Officer's written report, financial reports, OSH report and Board Committee reports. Each Board Member is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

14.6 To enable appropriate review of Board materials, directors will be sent materials at least one week in advance of the Board meetings in either paper form or electronically. The content, presentation and delivery of papers to directors for each meeting will be in accordance with guidelines agreed by the Board.

14.7 The Chair may from time to time invite employees and advisors to attend Board meetings whenever deemed appropriate.



14.8 Proceedings of all meetings are minuted and signed by the Chair. Minutes are circulated to directors and approved by the Board at the subsequent meeting.

ARTICLE 15. DIRECTOR ORIENTATION AND EDUCATION

15.1 The Board will ensure that all new Board Members are appropriately introduced to senior managers and the business of the Foundation.

15.2 It is expected that all Board Members will continuously educate themselves to ensure that they may appropriately and effectively perform their duties. In addition, visits to specific Foundation operations, when appropriate and briefings from key executives and relevant reports will be arranged, from time to time.

ARTICLE 16. CHIEF EXECUTIVE OFFICER EVALUATION

16.1 The Board will conduct an annual review of the Chief Executive Officer's performance to ensure that they are providing the best leadership for the Foundation in the long and short-term.

ARTICLE 17. OTHER MATTERS

17.1 A number of operational matters relating to the Board such as meetings of the Board, "fit and proper" requirements, powers and duties of Board Members, election and appointment and terms of office, delegation and appointment of committees are governed by the Foundation's Constitution and are not reproduced here.



SECTION III. INTERPRETATION

ARTICLE 18. GENERAL

18.1 The Board will be solely responsible for the interpretation of this policy.

18.2 Words importing the singular number only include the plural number and vice versa and words importing the masculine gender include the feminine and vice versa.

18.3 Present tense applies to future time. Whenever any matter or thing is expressed in the present tense, then the matter or thing is applied to the circumstances as they arise, so that effect may be given to this Charter and every part of it according to its spirit, true intent, and meaning.

ARTICLE 19. TERMS

19.1 In this Charter unless there is something in the subject or context inconsistent therewith:

- “Act” means the Incorporated Societies Act 1908 and its amendments.
- “Annual Report” means the report described in the Foundation’s Constitution.
- “Annual General Meeting” means the Council Meeting held annually as described in the Foundation’s Constitution.
- “ARTICLE” means an ARTICLE of this Charter
- “Associated Person” or “Related Party” means any Person who is associated to a Board Member or other Personnel of the Society for the purposes of this Charter. Association includes, but is not limited to, the following situations:
 - (i) a family member or other relative, by blood, marriage or de facto relationship; or
 - (ii) where there is natural love and affection; or
 - (iii) a beneficiary or trustee of a trust; or
 - (iv) a shareholder (both directly or indirectly) or director of a company; or
 - (v) any other method as defined in the Income Tax Act 2007; or
 - (vi) any other situation where a reasonable person would think there was an association.

- “Board” means the Board of the Foundation as elected and appointed in accordance with the Foundation’s Constitution.
- “Board Members” means the Elected Board Members and Appointed Board Members elected and appointed under the Foundation’s Constitution.
- “Charter” means this Charter as may be amended from time to time.
- “Committee” means the Audit and Risk Committee of the Foundation.
- “Constitution” means the registered constitution of International Taekwon-Do Foundation of New Zealand Inc as may be amended from time to time in accordance with the Incorporated Societies Act
- “Foundation” means International Taekwon-Do Foundation of New Zealand Inc
- “Management” means Employees and Appointed Personnel who the Society has given responsibility to oversee the performance and day to day management of the Foundation
- "Month" means calendar month.
- “Objects” means the Objects of the Foundation as described in the Foundations Constitution.
- “Person” includes a reference to an association of persons, an individual natural person, company, body corporate, body politic, firm, joint venture, association (whether incorporated or unincorporated), trust, or governmental or regulatory agency or authority, whether or not having separate legal personality;
- “Stakeholders” means all Persons who have an interest, financial or otherwise, in the Society, and include, but not be limited to: the International Taekwon-Do Federation, International Taekwon-Do Foundation of New Zealand, SPARC, Sponsors, Charitable Trusts, Personnel, Employees and the Public.
- “Taekwon-Do” means the Chang-Hon style of Taekwon-Do, the amateur sport, the martial art, and the philosophy in accordance with the International Taekwon-Do Federation (ITF) and in accordance with the teachings of Gen. Choi Hong Hi, the founder of Taekwon-Do.
- “Year” means a calendar year, beginning on 1 January.

