

internetnz



InternetNZ Council
March 2023

| | | | | | | | | |
|----|----|----|----|----|----|----|----|----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 21 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | |
| 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | |
| | 44 | 45 | 46 | 47 | 48 | | | 51 |
| | | 54 | 57 | | | | | 71 |
| | | 74 | 77 | | | | | |
| | | 84 | 87 | | | | | |
| | | 94 | 97 | | | | | |

NGĀ TOA
MATAURANGA

AGENDA

Council Meeting: Friday 31 March 2023, 9:00am - 11:30am
Venue: Online Meeting

Online: InternetNZ | Ipurangi Aotearoa

Section 1 – Meeting Preliminaries

| | | |
|----------------|----------|--|
| 9:00am | 1.1 | Council only (in committee) |
| 9:20am | 1.2 | Council and Tumu Whakarae (CE) alone time (in committee) |
| 9:45 am | - | Short Break |
| 10:00am | 1.3 | MEETING OPEN Karakia, apologies, interests register |
| | 1.4 | Action Items and Agenda Review |

Section 2 – Strategic Priorities

| | | |
|---------|-----|--------------------------|
| 10:10am | 2.1 | 2023/2024 Plan - Goals |
| 10:40am | 2.2 | 2023/2024 Budget |
| | 2.3 | DNCL Plan/Budget 2023/24 |

Section 3 – Matters for Decision

| | | |
|---------|-----|---|
| 11:10pm | 3.1 | Audit ,Finance and Investment Papers: 3.1.1 Investments review 3.1.2 Letter of Engagement |
|---------|-----|---|

Section 4 – Matters for Discussion

| | | |
|--|-----|------------------------------------|
| | 4.1 | President’s Report - verbal update |
|--|-----|------------------------------------|

Section 5 – Consent Agenda

| | | |
|--|-----|--|
| | 5.1 | Health, Safety and Wellbeing Update |
| | 5.2 | Minutes of the meeting of 10 February 2023 |

| | | |
|--|-----|----------------------------|
| | 5.3 | E-vote Ratification - None |
|--|-----|----------------------------|

Section 6 – Other Matters

| | | |
|--|-----|--|
| | 6.1 | CONTINGENCY (for any overflow) |
| | 6.2 | Matters for communication – key messages |
| | 6.3 | General business |
| | 6.4 | Meeting review |
| | 6.5 | Meeting close (karakia) |

Council Register of Interest

Officers and Councillors are required to register any interests, commercial, political or organisational, which they believe may be relevant to the perception of their conduct as a Councillor or Officer. Officers and Councillors are, however, still required to declare a Conflict of Interest, or an Interest, and have that recorded in the Minutes.

Officers and Councillors receive the following annual honoraria:

President - \$35,470

Vice President - \$22,169

Councillor - \$17,735*

**Sub-Committee Chairs also receives additional 10% of their honoraria*

Name: Joy Liddicoat

Position: President, InternetNZ

Term: AGM 2021 - AGM 2024

Declaration Date: 29 July 2021

Interests:

- Secretary of the Peter Rule Foundation
- Holder of .nz domain name registrations
- Member of the New Zealand Law Society
- Member Otago Women Lawyers Society
- Member of the Non Commercial Users Constituency of ICANN
- Founding Director and Shareholder of Oceania Women's Satellite Network (OWNSAT) PTE Limited. OWNSAT is a shareholder in Kacific Broadband Satellite
- Affiliate of the Centre for Law and Policy in Emerging Technologies, Faculty of Law, University of Otago.
- Senior Corporate Counsel, Silver Ferns Farms (part-time position)
- Member of the Association for Progressive Communications

Name: Brenda Wallace

Position: Vice President

Term: AGM 2022 - AGM 2024

Declaration Date: 10 February 2023

Interests:

- Employee of Artella/AnimationMentor/YellowBrick.co
- Trustee Strathmore Park Community Trust
- .nz Domain name registrant
- Various small shareholdings via Sharesies
- Receives additional honoraria for being Chair of InternetNZ Risk and Compliance Committee .

Name: Richard Hulse

Position: Councillor, InternetNZ

Term: AGM 2021 – AGM 2024

Declaration Date: 2 December 2022

Interests:

- Holder of .nz domain name registrations
- Receives additional honoraria for being Chair of the InternetNZ Governance Committee.

Name: Don Stokes

Position: Councillor, InternetNZ

Term: AGM 2017 – AGM 2023

Declaration Date: 11 February 2022

Interests:

- Shareholder/Director, Rumsey Stokes Limited, an authorised .nz registrar
- Shareholder / director of several inactive companies
- Registrant of .nz and .net domains
- Consultant of Liverton Security

Name: Kate Pearce

Position: Councillor, InternetNZ

Term: AGM 2017 – AGM 2023

Declaration Date: 15 February 2019

Interests:

- Employee of TradeMe
- Member of the New Zealand Labour Party
- Holder of .nz, .com, .org, .net domain registrations
- Member of NZ Internet Task Force
- Board Member of New Zealand Internet Task Force (NZITF)
- Member and Co-leader of Aotearoa Tech Union
- Receives additional honoraria for being Chair of the InternetNZ .nz Policy Committee

Name: Potaua Biasiny-Tule

Position: Councillor, InternetNZ

Term: Appointed 2021 – 2023

Declaration Date: 10 February 2023

- Founder / Director of Digital Basecamp
- Trustee of Digital Natives Academy
- Co-Founder 4CompanyB (4CB) Digital Animation Studios Limited
- Board Member for Te Tatau o Te Arawa (partnership with Rotorua Lakes Council).
- Trustee of Te Takinga Marae Komiti
- Kaitiaki for numerous .co.nz and .iwi.nz whanau domains
- Receives additional honoraria for being Chair of the InternetNZ Te Komiti Whakauru Māori (Māori Engagement Committee).
- Te Papa Mati Hiko

Name: Jeff Montgomery

Position: Councillor, InternetNZ

Term: AGM 2022 – AGM 2025

Declaration Date: 2 December 2022

Interests:

- Holder 14 .nz domain names
- Employee of Service Delivery and Operations, Department of Internal Affairs
- Statutory Officer - Registrar General of Births, Deaths and Marriages.
- Chair, Pacific Civil Registrars Network
- Owner and Director City Bed and Breakfast Ltd.
- Member of Netsafe
- Member of TohaToha

Name: Anthony Bow

Position: Councillor, InternetNZ

Term: Appointed 2022 – 2024

Declaration Date: 2 December 2022

- Holder of .nz and .com domain names
- Director of Whai Rawa Fund Ltd
- Director of Maungaharuru-Tangitū Ltd
- Deputy Chair and Board Member of the Medical Radiation Technologists Board.
- Chair and Director of Medical Sciences Secretariat Ltd
- Director and Shareholder of Waimana Capital Ltd
- Shareholder in private companies; Big Splash Ltd and Talent Propeller Ltd
- Member of the New Zealand Blood and Organ Service Board

- Receives additional honoraria for being Chair of InternetNZ Audit, Finance and Investment Committee.

Name: Whetu Fala

Position: Appointed Councillor, InternetNZ

Term: Appointed 2022 – 2024

Declaration Date: 10 February 2023

- Board Member, Māori TV
- Board Member, Creative NZ
- Board Member, Te Paepae Ataata Aōtearoa NZ Film Heritage Trust
- Chair, Whanganui District Creative Communities Assessment Panel
- Founding Member, Ngā Aho Whakaari Māori Screen Aōtearoa
- Founding Member, Wellington Women in Film & TV
- Founding Member, Taki Rua Theatre Wellington
- Pou Arahi Tikanga, Playmarket Inc Wellington
- Company Director, Fala Media Taki Rua Film'
- Shareholder Parininihi ki Waitotara Inc
- Morikau Nui Inc
- Atihau, Whanganui
- Wharanga Hakopa Kiwa Whanau Trust

Name: Alpana Roy

Position: Councillor, InternetNZ

Term: Appointed 2022 – 2025

Declaration Date: 2 December 2022

- Employee of the University of Waikato.
- Member of the NSW Law Society.
- Member of InternetNZ.
- Admitted to practice law in NSW, and is on the Roll of Legal Practitioners for the High Court of Australia.
- Member of the Intellectual Property Society of Australia and New Zealand (IPSANZ).
- Member of the International Trademark Association (INTA).
- Member of the Copyright Society of Australia (CSA).
- Member of the Internet Society of Australia.
- Member of .au Domain Administration Ltd (auDA).
- Executive Member of the Asian Pacific Copyright Association.
- Committee Member of the Indigenous Knowledge Forum.

Name: Anjum Rahman

Position: Councillor, InternetNZ

Term: Appointed 2022 – 2025

Declaration Date: 2 December 2022

- Co-Lead, Inclusive Aotearoa Collective Tāhono
- Contractor to Shama, Ethnic Women's Trust
- Co-Chair, Christchurch Call Advisory Network
- Trustee, Trust Waikato (Waikato Community Trust)
- Vice Chair, Independent Advisory Committee of the Global Internet Forum to Counter Terrorism.
- Holds a .nz domain name.

The register was last updated on 10 February 2023.

Council Actions Register 2023

| As at March 2023 | | | |
|-------------------------|--|----------------------|--------------------------------------|
| Action No# | Action | Owner | Status |
| AP01/23 | Explore options for Rongoa Māori to be offered after Council Cultural Capability training in our offices. | Raniera Albert | In progress |
| AP02/23 | Literature regarding Strategic Priorities and resources provided by Greaterthan to Te Kāhui Tumu. To be shared with the Council. | Diane Robinson | In Progress |
| AP03/24 | All reporting (specifically charts) should be accessible for colour-blindness. Staff to change reporting so that it's readable. | Catherine Fenwick | In Progress |
| AP12/22 | Build in an annual .nz strategy day to the Council Work Plan | Tim Johnson | Reviewing |
| AP14/22 | International Strategy Paper | Vanisa Dhiru | Deferred until later in the year. |
| AP21/22 | Develop a message house to share with Council and staff | Raniera Albert | In progress, input from TKWM needed. |
| AP22/22 | That the basis of the Honoraria level be reviewed and agreed before Council elections in 2024 | Catherine Fenwick | For Feb 2024 Council Meeting |
| AP23/22 | Governance Committee to work on the Appointment Process for the Domain Name Commissioner and the DNCL Directors | Chair, Richard Hulse | In Progress |
| AP24/22 | Community Strategy Paper renamed to Charting Organisational Change | Vanisa Dhiru | Completed |

| | | | |
|---------|--|----------------|------------------------------------|
| AP25/22 | Council and committee meeting schedules to be updated from the discussion in Council Dec minutes | Diane Robinson | Completed |
| AP26/22 | A brief on the process of public submissions for Feb 2023 Council meeting | Vanisa Dhiru | In progress, defer for May meeting |



InternetNZ | Strategic Priorities and Goals 2023/24

AUTHOR: Tumu Whakarāe (CE) - Vivien Maidaborn
PURPOSE: To provide the Strategic Priorities and Goals to Council for approval
DATE WRITTEN: 24 March 2023

1. Purpose of this paper

This paper sets out the strategic priorities as agreed at the meeting of 10 Feb with the addition of the Domain Name Commission(DNCL) goal. The main concerns expressed at Council were, was it an achievable workload, were there too many measures and did we have enough clarity to be able to prioritise workload. The 13 goals have been reworked, grouped and clarified as a result of your feedback with 18 success measures over 2 years. Specifically we have worked through the existing .nz strategy and ensured that these are included in the strategic priorities and goals. For this reason we have also added 'Maintain DNCL' as a goal because the domain name services we are responsible for are carried across Whakawhanake Rawa and DNCL. We are also presenting to you the value of having each goal.

Council requests that we consider the strategic priorities and their goals from a 'must have' , 'could have' 'should have' lens has been achieved through the presentation of the budget in three scenarios. Scenario 1 is 'could have' - the largest deficit with everything we could do especially in relationship to community and funding included. Scenario 2 is 'should have' and is our recommended approach. Scenario 3 is 'must have' and would reduce losses but slow down work programme significantly.

Strategic Priorities

1. Centering Te Tiriti o Waitangi
2. Engaging the NZ Internet Community
3. Ensuring the Home of .nz
4. Moving towards Constitutional Change
5. Building Mana Mahi Tahī
6. Maintaining Domain Name Commission (DNCL)

Strategic Priorities have been developed into goals, what value the goal offers, and how we will recognise that we have been successful. We are taking an integrated approach so all goals are the responsibility of all Te Kāhui Tumu (TKT) members.

| Goals | Goal Value | Council Success Measure |
|--|--|--|
| <p>Goal 1 - To establish the Mana Mahi Tahī approach to INZ work and culture over the next two years. This will entail combining, agile, self managing and Te Tiriti centric work processes and cultural forms.</p> | <ul style="list-style-type: none"> ● High level of staff engagement ● Changing behaviour toward team accountability, and transparent work prioritisation ● A culture of continuous improvement through staff development and training | <ul style="list-style-type: none"> ● Number of work processes improved and rolled out across the organisation ● Accountability processes for work done and for work prioritisation exist in delegated work projects, epics and Puni teams. |
| <p>Goal 2 - Make changes within InternetNZ toward ending racism and becoming Te Tiriti o Waitangi centric</p> | <ul style="list-style-type: none"> ● Provide Māori with greater opportunities for decision making and prioritisation of funding allocation. ● Ensure Māori expertise to the Constitutional Review process | <ul style="list-style-type: none"> ● Accountability framework for the implementation of the Systemic Racism Review recommendations is complete ● Share progress made with the Māori Internet Community, |

| Goals | Goal Value | Council Success Measure |
|--|--|--|
| | <ul style="list-style-type: none"> Staff and stakeholders observe there is a change in InternetNZ organisational culture | <p>staff and stakeholders on SRR recommendations in 12 months time</p> |
| <p>Goal 3 - Devolving power to Māori Whānau, Hapū, Iwi, and Māori Tech Communities</p> | <ul style="list-style-type: none"> We are held accountable by our strategic partners, and te ao Māori in the way we deliver on “becoming a Te Tiriti o Waitangi centric organisation” We work with internal and external partners towards an internet that benefits Māori. The Māori who are part of the NZ internet community see value in being an InternetNZ member. | <ul style="list-style-type: none"> .nz rules increases Māori authority in relation to .iwi.nz moderation panel decisions and policy. Increase the percentage of funding given to partners who work within a ‘by Māori, for Māori’ approach by 10% year on year |
| <p>Goal 4 - Design and implement an approach to collaboration, and partnering toward an internet that benefits everyone</p> | <ul style="list-style-type: none"> We grow and support our mandate, influence and relevance through relationships and partnerships We work with whānau, hapū, and iwi towards an internet that benefits Submissions and written input provided into government processes include community perspectives | <ul style="list-style-type: none"> We include Māori in the co-design process of an internet that benefits We are connected with domain name holders and their service providers through a media campaign run in 2023 |
| <p>Goal 5 - Diversify the</p> | <ul style="list-style-type: none"> Aligning members with Te Tiriti centric | <ul style="list-style-type: none"> Targets are reported on |

| Goals | Goal Value | Council Success Measure |
|--|--|---|
| Membership Database | organisational strategy | including increasing the number of Māori members by 50 individual and 5 organisational members per year over the next 2 years |
| Goal 5 - Diversify the Membership Database | <ul style="list-style-type: none"> Aligning members with Te Tiriti centric organisational strategy | <ul style="list-style-type: none"> Targets are reported on including increasing the number of Māori members by 50 individual and 5 organisational members per year over the next 2 years |
| Goal 6 - Grow in volume of registrars in our channel Revenue growth year on year | <ul style="list-style-type: none"> We grow and support our mandate, influence and relevance | <ul style="list-style-type: none"> 5% growth of registrars during 2023/24 2% revenue growth in 2023/24 |
| Goal 7 - .nz rules are high quality, fit for purpose toward an internet that benefits and are clear for our stakeholders to interpret and for DNCL to enforce | <ul style="list-style-type: none"> InternetNZ credibility as a commentator comes from being responsible for running .nz strongly and well | <ul style="list-style-type: none"> .nz rules development has input from members and the wider community |

| Goals | Goal Value | Council Success Measure |
|--|--|---|
| | | |
| <p>Goal 8 - To be active in environmental scanning and technology developments that inform business decisions for .nz and related registry products</p> | <ul style="list-style-type: none"> • Being up to date and conversant with technology trends and innovations, international internet policy, as well as internet governance are key to INZ credibility and voice | <ul style="list-style-type: none"> • A 3-6 year vision developed for .nz and related registry products, that inform business decisions and future investment |
| <p>Goal 9 - Regional ccTLD collaboration and support, including advocating for ccTLD sovereignty for Pacific islands</p> | <ul style="list-style-type: none"> • Supporting an Internet that benefits across the pacific. | <ul style="list-style-type: none"> • Two Pacific countries are supported towards ccTLD sovereignty and/or independence in registry management |
| <p>Goal 10 - Modernise the InternetNZ Constitution</p> | <ul style="list-style-type: none"> • InternetNZ Constitution includes what is needed in 2025 and beyond | <ul style="list-style-type: none"> • Project Plan is documented and milestones reported on over the next two years |
| <p>Goal 11 - Mana Whakahaere processes are developed to achieve</p> | <ul style="list-style-type: none"> • Māori recognise InternetNZ is working in a co-design way with them on matters that matter to Māori | <ul style="list-style-type: none"> • Mana Whakahaere process through Te Komiti Whakauru Māori (TKWM) recommends to Council changes to the |

| Goals | Goal Value | Council Success Measure |
|---|---|--|
| codesign with Māori for SRR recommendations 5&6 with Te Komiti Whakauru Māori (TKWM) and external parties | | Constitution that support Māori members equal right to stand and be elected to Council |
| Goal 12 - Te Tiriti o Waitangi centred decision making and application of matauranga Māori is integrated across InternetNZ Group | <ul style="list-style-type: none"> We are living our commitment to centre Te Tiriti o Waitangi | <ul style="list-style-type: none"> An approach to Te Tiriti o Waitangi individual performance indicators is designed, experiments are run and adoption ready for all staff completed by the end of 2024 |
| Goal 13 - Maintaining DNCL | <ul style="list-style-type: none"> We value the voice and rights of domain name holders. | <ul style="list-style-type: none"> Review the operating agreement by the end of 2024 and consider introducing targets through a funding agreement. |

For your information this is the [DNCL Strategy](#) that the DNCL Board is monitoring.

Budget 2023/24

AUTHOR: Tumu Whakarae (CE), Vivien Maidaborn

PURPOSE: To set out the strategy, summary and detail of the proposed 2023/24 Budget and seek Council Approval

Introduction

This paper sets out the 2023/24 Budget, links to the strategic Goals/Work and provides background information on key assumptions used in preparation. The purpose is to seek Council agreement to the budget. This paper should be read alongside the 2023/24 Plan.

1. Budget Strategy 2023/24

This proposed 2023/24 Budget is based on the following key points:

Our prioritised work is directly linked with the Strategic Plan, and the tables below represent our focus areas over the next two years.

| Goals |
|---|
| Goal 1 - To establish the Mana Mahi Tahī approach to INZ work and culture over the next two years. This will entail combining, agile, self managing and Te Tiriti centric work processes and cultural forms. |
| Goal 2 - Make changes within InternetNZ toward ending racism and becoming Te Tiriti o Waitangi centric |
| Goal 3 - Devolving power to Māori Whānau, Hapū, Iwi, and Māori Tech Communities. |
| Goal 4 - Design and implement an approach to collaboration, and partnering |

| |
|---|
| Goals |
| toward an internet that benefits everyone. |
| Goal 5 - Diversify the membership base |
| Goal 6 - Grow in volume of registrars in our channel .Revenue growth year on year |
| Goal 7 - .nz rules are high quality, fit for purpose toward an internet that benefits and are clear for our stakeholders to interpret and for DNCL to enforce. |
| Goal 8 - To be active in environmental scanning and technology developments that inform business decisions for .nz and related registry products |
| Goal 9 - Regional ccTLD collaboration and support, including advocating for ccTLD sovereignty for Pacific islands |
| Goal 10 - Modernise the InternetNZ Constitution |
| Goal 11 - Mana Whakahaere processes are developed to achieve codesign with Māori for SRR recommendations 5&6 with Te Komiti Whakauru Māori (TKWM) and external parties |
| Goal 12 - Te Tiriti o Waitangi centred decision making and application of matauranga Māori is integrated across InternetNZ Group |
| Goal 13 - Maintaining Domain Name Commission Limited |

The following **assumptions** are the foundations of our annual plan and are key to understanding our Budget for the year.

- Home of .nz

With the successful implementation in 2022 of the new registry system, we will continue our strategy to invest and grow in this area by

- Investment in additional staff in areas of growth generation, key personnel planning and .nz policy.
- Increased expenditure to support longer-term marketing plans and registrar/market engagement. Note - revenue growth assumed at 2%.
- Capital investment in DNS refresh \$530k.
- Direct Costs for the replacement registry are approx \$1.2m pa (an increase of \$700k from 22/23 based on full-year costs - go live date November 2022).

- Centering Te Tiriti o Waitangi

- As we continue on our journey to move the organisation forward toward our goals, we have included a budget allowance to support work in
 - developing relationships and working in partnership with Māori
 - embedding Te Ao Māori into our core work and practices

- Systemic Racism review and Constitutional Changes

- The work of these goals are closely linked and we believe to achieve the desired outcomes this will take a considerable investment for our current staff and also some additional support in areas such as
 - Programme management
 - Relationship/co-design - members, partners and other key stakeholders.

- New Zealand Internet community

- Continue to use funding to support the community with a revised focus on partnerships
- Diversify our membership
- Focusing our resources on work on an Internet that Benefits the community.
- Invest in tools to support this work.

- Mana Mahi Tahī

- Fundamental to delivering this work is the change process we need to build a work culture that integrates continuous improvement into work processes through a series of experiments.
- The budget includes investment in supporting these changes.

Please also note that we have not included any income from investments in the Budget but will continue to report the actual performance in quarterly financial reporting as a note.

2. 2022/23 Year-end forecast

This section shows the forecasted results for 2022/23 and includes comparisons to the current year's financial Budget and re forecast (pre investment returns).

| | 2022/23 | 2022/23 | 2022/23 |
|----------------------------------|-------------------------------------|--|-----------------------------------|
| | Budget Approved Apr 2022-2023 | Reforecast presented Dec 2022-2023 | Year-End Forecast 2022-2023 |
| Description | | | |
| Total Revenue | \$13,655,012 | \$13,767,847.00 | \$13,775,511.00 |
| DNCL | \$1,650,000 | \$1,650,000 | \$1,650,000 |
| Direct Costs | \$1,872,327 | \$1,637,999 | \$1,627,794 |
| Employment Costs | \$6,775,854 | \$6,669,372 | \$6,301,422 |
| Operational Costs | \$1,531,609 | \$1,776,854 | \$1,564,511 |
| Governance | \$370,993 | \$353,205 | \$338,174 |
| International | \$20,000 | \$31,500 | \$35,549 |
| Marketing | \$30,000 | \$60,300 | \$42,300 |
| Funding | \$1,062,000 | \$1,112,000 | \$1,251,762 |
| Engagement | \$210,000 | \$355,000 | \$170,704 |
| Depreciation | \$297,428 | \$286,932 | \$279,562 |
| Total Costs | \$13,820,211 | \$13,933,162 | \$13,261,777 |
| One-offs - .nz Policy | \$80,000 | \$80,000 | \$65,000 |
| One off - asset write/off | \$0 | \$12,500 | \$12,500 |
| One off - Project Pool | \$500,000 | \$165,000 | \$100,000 |
| Total One Offs | \$580,000 | \$257,500 | \$177,500.00 |
| Surplus/Deficit | (745,199) | (422,815) | 336,234 |

Our current forecast for the year end position at 31st March 2023 is that we will have a surplus of \$336k at net operating level before investment returns.

This is a \$760k improvement on the position presented in December. The main areas contributing to this include

- Employment costs \$350k lower - main areas of contribution
 - Additional staff turnover - some positions not replaced.
 - Delays in recruitment
 - Training and Development delays in timing
 - Lower spend on Contractors
- Operating Costs - \$200k lower across a large number of areas but main items
 - Rent annual month free not in the forecast
 - Lower spend on legal fees
 - Contract negotiations areas such as Website/Hosting
 - Meetings
 - External consultants
- Engagement/Funding reallocation and savings - \$150k
 - Increased Funding pool - forecast \$150k
 - Reduction in Project pool \$100k
 - Delayed spend in engagement on Systemic Racism Review/Constitution Change - \$100k
 - Lower spend in areas such as Māori Design Group, other engagements -\$100k

Note the current forecast for the Investment is for a positive return for the year of approx \$158k.

Go to the next page 6, 2023/24 Budget.

3. 2023/24 Budget

This year, we have included several scenarios for review based on the level of resource investment to support the agreed strategic goals. The purpose is to give a level of transparency between investment and outcomes/outputs over the next year. We recommend Scenario 2 based on balancing the goals we need to work on this year and the fiscal deficit this brings over a 5 year period. Scenario 1 provides an option which grows investment in the community much quicker than Scenario 2 with the consequent impact on the outlying years.

| | 2023/24 | 2023/24 | 2023/24 |
|---|---------------------|---------------------|---------------------|
| | Scenario 1 Budget | Scenario 2 Budget | Scenario 3 Budget |
| Description | | | |
| Total Revenue | \$14,062,268 | \$14,062,268 | \$14,062,268 |
| DNCL | \$1,635,000 | \$1,635,000 | \$1,635,000 |
| Direct Costs | \$2,325,732 | \$2,325,732 | \$2,325,732 |
| Employment Costs | \$6,227,569 | \$6,227,569 | \$6,137,666 |
| Operational Costs | \$1,683,169 | \$1,625,101 | \$1,612,101 |
| Governance | \$419,448 | \$419,448 | \$419,448 |
| International | \$180,000 | \$180,000 | \$100,000 |
| Marketing | \$165,000 | \$165,000 | \$125,000 |
| Funding | \$1,402,000 | \$1,202,000 | \$1,202,000 |
| Engagement | \$248,500 | \$170,500 | \$158,000 |
| Depreciation | \$271,286 | \$271,286 | \$271,286 |
| Total Costs | \$14,557,704 | \$14,221,637 | \$13,986,234 |
| One-offs - Constitutional Review | \$211,919 | \$211,919 | \$211,919 |
| One off - SRR Recommendation | \$311,919 | \$311,919 | \$311,919 |
| One off - Risk & Security | \$209,529 | \$209,529 | \$209,529 |
| Total One Offs | \$733,367 | \$733,367 | \$733,367 |
| Surplus/Deficit | (1,228,803) | (892,736) | (657,333) |

The main areas of difference in the scenarios above is the variation in spend in

- Funding
- Engagement

This budget should be viewed over multiple years as is our new strategic priorities and we believe Scenario 2 to be the scenario that financially supports achieving the outcomes over 2023-2025 at a lower cost compared to the other scenarios. This also aligns with a positive return in outer years, reported later in this paper.

It is worth noting we predict we will be \$1.1m better than the original budget for 22/23 (based on the details above) and this surplus will be added to our opening equity for next year..

We would like to highlight some significant items in 2023/24 in the Financial information laid out above.

- Revenue growth is based on 2% domain name growth (2022/23 estimated 2%)
- DNCL funding is budgeted at \$1.6m
- Direct costs include \$1.2m for the new InternetNZ Registry System (IRS).
- Two additional resources to support our work in systemic racism review and constitutional change over the next two years. The skills required to manage this significant piece of work include programme management, relationship building and co-design processes with the Internet community, and specifically the Māori community.
- Other staffing levels have been revised with
 - Additional investment in .nz
 - Reductions in Organisation performance team (Security)
 - Remuneration increase pool based on 5%
- As the international community is now meeting in person, the budget includes costs to support INZ re-engaging in these activities.
- Other costs
 - Legal - additional advice Constitutional change
 - Marketing - .nz Growth
 - Consultants - in three main areas
 - Constitutional change
 - Systemic Racism review
 - Security/Risk and IT

4. Future Year forecasting

We have also included below some indicative numbers for future years (year 2 to

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Scenario 2 Budget | Year 2 Forecast | Year 3 Forecast | Year 4 Forecast | Year 5 Forecast |
| Description | | | | | |
| Total Revenue | \$14,062,268 | \$14,402,230 | \$14,830,598 | \$15,271,744 | \$15,726,348 |
| DNCL | \$1,635,000 | \$1,650,000 | \$1,650,000 | \$1,650,000 | \$1,650,000 |
| Direct Costs | \$2,325,732 | \$2,356,197 | \$2,385,964 | \$2,394,807 | \$2,418,538 |
| Employment Costs | \$6,227,569 | \$6,362,501 | \$6,544,037 | \$6,779,677 | \$6,995,477 |
| Operational Costs | \$1,625,101 | \$1,666,462 | \$1,768,734 | \$1,823,370 | \$1,880,487 |
| Governance | \$419,448 | \$419,448 | \$448,015 | \$448,015 | \$455,444 |
| International | \$180,000 | \$183,600 | \$187,272 | \$191,017 | \$194,838 |
| Marketing | \$165,000 | \$99,750 | \$104,738 | \$109,974 | \$115,473 |
| Funding | \$1,202,000 | \$1,302,000 | \$1,402,000 | \$1,502,000 | \$1,602,000 |
| Engagement | \$170,500 | \$173,910 | \$177,388 | \$180,936 | \$184,555 |
| Depreciation | \$271,286 | \$274,780 | \$244,445 | \$231,798 | \$150,959 |
| Total Costs | \$14,221,637 | \$14,488,648 | \$14,912,593 | \$15,311,595 | \$15,647,771 |
| One-offs - Constitutional Review | \$211,919 | \$186,919 | \$0 | \$0 | \$0 |
| One off - SRR Recommendation | \$311,919 | \$311,919 | \$0 | \$0 | \$0 |
| One off - Risk & Security | \$209,529 | \$0 | \$0 | \$0 | \$0 |
| Total One Offs | \$733,367 | \$498,838 | \$0 | \$0 | \$0 |
| Surplus/Deficit | (892,736) | (585,256) | (81,995) | (39,851) | 78,577 |
| Equity Pre Investments | | | | | |
| Forecasts | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
| Surplus/(deficit) | (892,736) | (585,256) | (81,995) | (39,851) | 78,577 |
| Forecast opening equity | 10,623,310 | 9,730,574 | 9,145,318 | 9,063,323 | 9,023,472 |
| Forecast closing equity | 9,730,574 | 9,145,318 | 9,063,323 | 9,023,472 | 9,102,049 |
| Reserves | 3,723,420 | 3,723,420 | 3,723,420 | 3,723,420 | 3,723,420 |

| | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| Forecasted Equity Position after reserves | 6,007,154 | 5,421,898 | 5,339,903 | 5,300,052 | 5,378,629 |
| Target equity position | 5,500,000 | 5,500,000 | 5,500,000 | 5,500,000 | 5,500,000 |
| Equity lower limit | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 |

Some key assumptions

- Growth in .nz estimated at 3% in outer years
- \$100k increase each year in funding/partnerships
- Salary review based on 3% in outer years
- Substantive work on Constitution and Systematic review completed 24/25
- Any returns on investments not included.

4. 2023/23 Budget: Capital Expenditure

The proposed Capex budget below is divided into the following categories:

- .nz Investment
- Other capital activities to support the business

| | 2023/24 |
|--------------------------|------------------|
| .nz Investment - DNS | 530,000 |
| Infrastructure/Other | 60,000 |
| | |
| Staff computer Equipment | 61,300 |
| Web Development/CRM | 150,000 |
| Broadband Map | 25,000 |
| Misc | 21,500 |
| Total | \$847,800 |

Recommendations

That Council **approve** for 2023/24 an operational expenditure budget limit of **\$14.96m** and capital expenditure of **\$.85m**

That Council **note** the Revenue target of **\$14.06m**

COUNCIL MEETING - March 2023

DNCL Company Plan 2023/24

AUTHOR: Vivien Maidaborn , Chair of the DNCL Board

PURPOSE: To set out the strategy, summary and detail of the proposed 2023/24 Budget and seek Council Approval.

Purpose

To receive and agree to the 2023/2024 DNCL Management fee and note the progress made regarding the implementation of DNCL's [strategic plan](#).

Business Plan 2023/24

DNCL continues to implement its strategic objectives. The [strategy](#) is for 2022-2025.

DNCL's Annual Business Plan is a key part of our reporting framework. It provides DNCL stakeholders with visibility of the DNCL's organisation-wide priorities and the intended work over the next 12 months. A separate compliance plan exists for the compliance work program.

DNCL continues to promote a .nz that is fair for everyone, and the following trends, outcomes sought and priority activities have been identified for the next 12 months.

In 2023/24 we will focus our efforts on monitoring, enforcement, Registrar and Registrant compliance and Online safety work through partner engagement.

The plan takes into account our Strategic Outcome indicators as well as the six Strategic Priorities that were identified at the InternetNZ strategy meeting in January 2023. Keys priorities for INZ in the 2023/24 year (as approved by the INZ Council) are:

- Centering Te Tiriti o Waitangi
- Engaging the NZ Internet Community
- Ensuring the Home of .nz
- Moving towards Constitutional Change
- Building Mana Mahi Tahi
- Maintaining Domain Name Commission (DNCL)

DNCL's Business Plan

| | | | | | |
|--|---|--|---|--|--|
| <p>DNCL (2022-25) Strategic Outcome Indicators</p> | <p>To be a fair, independent and accessible self-regulator who provides trusted oversight of the .nz domain name space and an excellent dispute resolution service.</p> | | | | |
| | <p>a .nz self regulatory system that is nuanced and matched to the size and nature of the risks and harms to be addressed in the .nz domain name space</p> | <p>Delivering a compliance program that enhances participation in the .nz market, enhances resilience and supports better outcomes for consumers and industry including proactively tackling domain name abuse</p> | <p>Simplifying access to justice for the .nz end user community through integrated, people-centric and digital service solutions</p> | <p>Driving DNCL's regulated population to proactively tackle domain name abuse in line with cross sector and jurisdictional commitments.</p> | <p>An inclusive and robust organisation where speaking up, diversity and inclusion are part of our DNA</p> |
| <p>Focus for 2023/24</p> | <p>Trends</p> | <p>Outcomes Sought/Success measures</p> | <p>Priority Activities</p> | | |
| | <p>Become a Te Tiriti Centric organisation.</p> | <p>Increase our cultural competency</p> | <p>Attend group wide trainings. Develop Te Tiriti-Centric work plan. Encourage personal development. Create appropriate team rituals that strengthen our connection with Te Ao Māori. Work well with .iwi.nz moderators and Māori stakeholders.</p> | | |

| | | |
|---|--|---|
| <p>Move to being a lean and resilient organisation</p> | <p>Future proof our ways of working and ensure they are secure, and that we have the right tools and people to do our work</p> | <p>De-commission the DNCL old website.</p> <p>More to jira cloud.</p> <p>Document our self service processes and risk mitigations.</p> <p>Embed our system of systems (Kanban approach) and keep it under review.</p> <p>Embed ODR as a permanent solution.</p> <p>Learning & Development to grow our people.</p> <p>Maintain high-levels of engagement through Ask Your Teams survey.</p> <p>Participate in constitutional review, if DNCL is covered in Group-wide constitutional review.</p> |
| <p>Co-regulation and online stakeholder engagement to achieve compliance - .nz rules and contractual framework.</p> | <p>Efforts are targeted around what the data (and our stakeholder s) tell us are their biggest issues.</p> | <p>Complete classification work of our content complaints/data validation work.</p> <p>Develop resources to respond efficiently to high volume enquiries.</p> <p>Refresh our comms plan to increase awareness of our service through a variety of channels.</p> <p>Re-connect with partners we've lost contact with during COVID - prioritising spaces that are the most/serious issues.</p> <p>Make new partners that help us link up with domain name holders and their advisers.</p> <p>Data Validation practice review.</p> <p>Benchmark how we are doing with our peers around the work by engaging virtually with our peers.</p> <p>Participate in any .nz rules discussions.</p> |
| <p>.nz Contractual, and Policy Framework</p> | <p>Successful implementation of .nz policy</p> | <p>.nz authorisation agreements updated and re-signed</p> |

| | | | |
|--|---------------------------|--|--|
| | Refreshed and implemented | reform that supports and promotes well-functioning, .nz domain name industry | |
|--|---------------------------|--|--|

Budget

DNCL had budgeted (2022/2023) a deficit of \$123,125 but will deliver a close to break even result.

The DNCL Board approved budget for 2023/2024 is attached as an appendix.

The management fee is calculated as 12% of InternetNZ revenue. The budget provides for a deficit of \$150,110 and was approved on the proviso that spending be brought back into break even budget after this year.

Recommendation

That the Council notes the [strategic](#) and business plans for 2023/24.

That the Council agree the DNCL Management fee for 2023/24 of \$1,635,000.

Appendix

Domain Name Commission Limited Budget 2023-2024

| | |
|---------------------------------|-----------------------|
| | |
| Income | |
| Authorisation Fees | \$12,000.00 |
| Income - DRS Complaint Fees | \$12,000.00 |
| Interest Income | \$30,000.00 |
| Management Fees | \$1,635,000.00 |
| Sundry Income | \$0.00 |
| Total Income | \$1,689,000.00 |
| Gross Profit | \$1,689,000.00 |
| | |
| Less Operating Expenses | |
| Communications | \$99,000 |
| Compliance | \$60,000 |
| Directors | \$52,070 |
| Dispute Resolution | \$57,600 |
| International | \$20,000 |
| Memberships | \$13,800 |
| Moderators | \$23,300 |
| Office and Admin expenses | \$421,881.44 |
| Personnel and staff costs | \$945,583.42 |
| Professional Services | \$65,228 |
| Projects | \$15,000 |
| Registrars | \$8,000.00 |
| Depreciation | \$57,647.55 |
| | |
| Total Operating Expenses | \$1,839,110.42 |
| | |
| Net Profit | -\$150,110.42 |
| 2023/2024 Forecast/Budget | -\$150,110.42 |

Proposed Approach to Investment review

AUTHOR: Anthony Bow - Chair of the Audit, Finance and Investment Committee

PURPOSE: Recommendations on approach to investment review

DATE WRITTEN: 23/03/23

Purpose

This paper seeks approval for the recommendations from the Audit, Finance and Investment Committee (AFI) to Council on work to revise the Treasury, Investment and Reserves policies, and engage the external consultant/advisors to support this work.

Scope

The work required involves a two-stage approach and includes:

- The three policies (Treasury, Investment and Reserves) that are now overdue for review should be consolidated into a single policy:
 - The Committee's general consensus is that the existing policy settings are conservative and that we hold too much short term cash and insufficient managed growth/high growth fund investments
 - The conservative approach is in part due to
 - to our existing policies that follow statutory accounting classification of deferred income (rather than cash flow), and
 - a reserves policy that is more appropriate for an entity that has less stable revenues than InternetNZ has.
- Analysis of forecast cash flow, revenue quality, deferred income, reserves and other related areas has started (e.g. draft legal opinion has been received and is currently being reviewed by InternetNZ legal) but requires additional resources to efficiently drive and complete the work stream.
- The Finance team is at capacity and an external consultant is required to progress stage one of this work stream if it is to be progressed during this 2023/2024 year.

- Following completion of the above stage, we would have a good understanding of our investable funds (i.e. a narrow range in \$M terms) in order to commence stage two of this workstream which is to establish:
 - The precise level of InternetNZ's risk appetite (which would in turn drive the development of our Statement of Investment Policy and Objectives (SIPO)).
 - It is anticipated that an Investment Advisory firm would be selected through a request for proposal process run via the Committee and approved by Council.
 - Note: Whilst the Committee's consensus is that it generally has a higher risk appetite than current policies allow, the Investment Advisory firm would be engaged to assess the precise level of Council's consensus risk appetite and would also be able to advise its opinion of the appropriate risk based on the nature and characteristics of InternetNZ.
 - Once the above work has been completed, the updated and revised policies and the SIPO (including processes for investment, investment classes/assets, investment management, assessment, performance benchmarking, monitoring and review) would be in a form that could be approved by Council and subsequently implemented.
 - The Audit, Finance and Investment Committee will make a recommendation to the Council to appoint the successful Investment Advisory firm once all the prior work is complete.

Recommendation

1. That Council **approve** the Treasury, Investment and Reserves policies review and undertake all work required to subsequently facilitate the Council being able to appoint an Investment Advisory firm to, amongst other matters, assist in determining InternetNZ's appropriate risk appetite.
2. That Council **approve** the Chief Executive engaging an external consultant to prioritise and undertake recommendation one.
3. That Council **approve** on the basis of the completed work above, the Audit, Finance and Investment Committee to carry out a request for proposal.

Audit Papers for Recommendation

AUTHOR: Audit, Finance and Investment Committee

PURPOSE: Audit Papers for Recommendation

DATE WRITTEN: 22/03/23.

Purpose

It was agreed by the Audit, Finance and Investment (AFI) Committee that the attached papers be presented to Council for their review and then recommended for Council to approve for signing by the AFI Chair, Anthony Bow.

As good process and as *Those Charged with Governance (TCWG)* are relying on declarations from management when making their declaration and are ultimately responsible, included is the Tumu Whakarae (CE), Vivien Maidaborn responses to the same enquiries, as it is appropriate that such declaration is provided to Council to provide assurance to Council.

Recommendation

THAT Council **approve** the recommended papers for signing by the AFI Chair:

1. That Audit & Risk Committee recommends to Council to receive and **approve** for signing the Grant Thornton Letter of Engagement for the Financial year 2022-23.
2. That Audit & Risk Committee recommends to Council to receive and **approve** for signing the Grant Thornton Audit required Enquiries with TCWG responses for the financial year 2022-23.

The Council
Internet New Zealand Incorporated
PO Box 11-881
Manners Street
Wellington 6142

Grant Thornton New Zealand Audit Limited
Level 15, Grant Thornton House
215 Lambton Quay
PO Box 10712
Wellington 6143

T +64 (0)4 474 8500
www.grantthornton.co.nz

By email to: Mary Tovey (mary@internetcnz.net.nz)

29 November 2022

Dear Council

Letter of audit engagement

We are pleased to confirm our engagement as auditors of Internet New Zealand Incorporated (the "Society") and its subsidiary Domain Name Commission Limited (together referred to as "the Group") for the year ended 31 March 2023.

The External Reporting Board ("XRB") requires that the scope and extent of audit work to be performed for clients should be agreed in writing. Accordingly, this letter records the terms and conditions of our engagement as auditors and as such constitutes the agreement between us. All services are provided subject to the terms and limitations set out in this letter and the attached Grant Thornton Terms and Conditions ("Terms") and any other appendices (collectively, the "Agreement"). You should carefully read the Terms, as they form an important part of our contract with you.

You have requested that we audit the parent and consolidated performance information and financial statements, which comprise the Parent and Group Statement of Service Performance, Statement of Financial Position as at 31 March 2023, the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets and Statement of Cash Flows for year then ended and a summary of significant accounting policies and other explanatory notes as presented by those charged with governance (the "Council") (the "Services"). Our audit will be conducted with the objective of expressing an opinion on the consolidated performance information and financial statements.

Our Agreement commences on the earlier of the date you sign and return this letter to us or when we commence the Services. Capitalised terms used in this letter are not defined in this letter have the meaning given to them in clause 32 of the Terms.

1. Audit team

Brent Kennerley the Partner (brent.kennerley@nz.gt.com) and Thurayya Benjamin the manager (thurayya.benjamin@nz.gt.com) will be responsible for this engagement. It will be the responsibility of Brent to ensure that the Group receives quality service. Brent will, as he considers necessary, call on other individuals with specialised knowledge, either in this office or elsewhere in our firm, to assist in the performance of our services.

2. Responsibilities and procedures

- a. We will conduct our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated performance information and financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated performance information and financial statements.
- b. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated performance information and financial statements, whether due to fraud or error. It is important to recognise that there are inherent limitations in the auditing process. Audits are based on the concept of selective testing of the data underlying the consolidated performance information and financial statements. This involves judgement regarding the areas to be tested and the nature, timing, extent, and results of the tests to be performed. Audits are, therefore, subject to the limitation that material errors, fraud or other illegal acts having a direct and material consolidated financial statement impact, if they exist, may not be detected. However, we will communicate to you any illegal acts, material errors, or evidence that fraud may exist identified during our audit.

- c. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated performance information and financial statements. Our examination should not be relied on to disclose defalcations or other irregularities but their disclosure, if they exist, may result from the audit tests we undertake.
- d. The work we shall do to enable us to form our opinion, referred to above will include making such tests and enquiries as we consider necessary for the purposes of our audit.
 - i. Those tests will apply inter alia to:
 - Day to day operations of the business; and
 - The verification of assets and liabilitiesbut their nature and extent will vary according to our assessment of the Group's system of control and may cover all aspects of the business.
- e. Because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements, or a departure from a matter of accountability, may remain undiscovered.
- f. In making our risk assessments, we consider internal control relevant to the preparation and fair presentation of consolidated performance information and financial statements for the Group to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. However, we expect to provide you with a separate letter concerning any material weaknesses in the design or implementation of internal control over financial reporting that come to our attention during the audit of the consolidated performance information and financial statements.
- g. Our audit report will explain that the Council is responsible for the preparation and the fair presentation of the consolidated performance information and financial statements in accordance with the applicable financial reporting framework and this responsibility includes:
 - Designing, implementing, and maintaining internal control relevant to the preparation of consolidated performance information and financial statements that are free from misstatement, whether due to fraud or error.
 - Safeguarding assets of the Group.
 - Selecting and applying appropriate accounting policies; and
 - Making accounting estimates that are appropriate in the circumstances.

As part of our audit processes, we will request from management written confirmation concerning representations made to us in connection with the audit.

Under section 41 of the Charities Act 2005 the Entity is required to file an annual return and accompanying performance information and financial statements and audit report with the New Zealand Government's Department of Internal Affairs – Charities Services within six months of the balance date.

3. Responsibilities of the Council

The Council, by acceptance of the terms of this letter, represent that for every financial period covered by this letter of engagement they will meet their responsibilities which include:

- a. Maintaining accounting records that:
 - i. correctly record and explain the transactions of the Group.
 - ii. enable the financial position of the Group to be determined with reasonable accuracy at any time.
 - iii. enable the Council to ensure that the consolidated performance information and financial statements of the Group comply with applicable legislation; and
 - iv. enable the consolidated performance information and financial statements of the Group to be readily and properly audited.

- b. The responsibility for the preparation and fair presentation of the consolidated performance information and financial statements comprising the Statement of Service Performance, Statement of Comprehensive Revenue and Expense, the Statement of Financial Position, Statement of Changes in Net Assets, and Statement of Cash Flows of the Group and notes to the consolidated performance information and financial statements in accordance with Public Benefit Entity International Public Sector Accounting Standards (Not-for-Profit) Reduced Disclosure Regime is that of the Council.
- c. Making all explanations and information available to us, including minutes of all management and Council meetings that we may request.
- d. Allowing us unrestricted access to staff and accounting records and other documents of the Group that we deem necessary for the purpose of the audit.
- e. Giving us notice of and other communications relating to all general meetings of the Group.
- f. Notifying us of such further information including post-audit/balance date events which will or might have a bearing on our audit responsibilities.
- g. Implementing an internal control structure to maintain the reliability of the consolidated performance information and financial statements of the Group.
- h. Making sufficient representations to us regarding the completeness and accuracy of the information disclosed within the consolidated performance information and financial statements.

4. Reporting to the Council

Provision of our report

At the conclusion of our audit, or where appropriate in relation to other Services, we will prepare a report which will detail any significant internal control weaknesses observed and other matters relating to the consolidated performance information and financial statements which may come to our attention during the normal course of our audit and constructive suggestions for their resolution. The report will not include all matters that come to our attention but rather only those matters we regard as important and requiring attention. The form of the report usually covers our observations, our recommendations to address the matter, and the responsible management's response and intended action.

Ambit of our report

Our audit is not designed to identify all significant weaknesses in the Group's system of internal controls. The matters contained in this report cannot contain all matters that a full review of internal control and accounting procedures may identify as our work is primarily conducted to allow us to express an opinion on the consolidated performance information and financial statements.

Sometimes circumstances may change after we have provided our final report to you; unless we agree with you otherwise, we will not update our final report which we have provided to you.

Reliance and disclosure of the report and other work

Any advice or materials including any reports, documents, advice, opinions, e-mails, notes or other deliverables, whether in draft or final form, in writing or provided orally, that we prepare either alone or in conjunction with you or provide to you as a result of our engagement pursuant to this letter (collectively, the "Work") is for your exclusive use and must be used only by you and only in relation to the purpose for which we were engaged to provide the Services.

Unless we give our prior written consent:

- a. our Work must not be used or disclosed for any other purpose, referred to in any document or made available to any person, except your professional advisers.
- b. our Work and the Services may not be relied on by anyone other than you; and
- c. you will not name us or refer to us, our Work, or the Services in any written manuals (other than to your Professional Advisers), or publicly filed documents unless required by law.

You may provide a copy of our audit report to:

- a. your Professional Advisers if you ensure that each Professional Adviser:
 - i. is aware of the limits placed on our reports by this letter, including that they may only use our report for the purpose of advising you in relation to the Services; and
 - ii. treats the report as confidential and does not use or disclose our report in a manner that is not expressly permitted by this letter; and
- b. any other person who is acceptable to us, with our prior written consent, but only where that person has first executed an agreement provided by us.

We are not responsible to anyone (apart from you) who is provided with or obtains a copy of our Work, including the report, and you agree to indemnify us, and keep us indemnified, against any third-party claims which arise from any release of our Work.

5. Responsibility relating to the distribution of Grant Thornton's audit report and controls over electronic distribution methods

If the Group intends to publish or reproduce, in printed form or electronically (for example on an internet website), our audit report together with the consolidated performance information and financial statements, or otherwise refer to our firm in a document that contains other information, the Council agree to:

- provide us with a draft of such document to read; and
- obtain our approval for inclusion of our report

before the document is finalised and distributed. Where our audit report is reproduced in any medium, the complete consolidated performance information and financial statements, including notes, must also be presented.

Our engagement to perform the services described in this letter does not constitute our agreement to be associated with any such documents published or reproduced by or on behalf of the Group. Any request by the Group to reissue our report, to consent to its inclusion or incorporation by reference in an offering or other document, or to agree to its inclusion on an electronic site will be considered based on the facts and circumstances existing at the time of such request. The estimated fees outlined herein do not include any services that would need to be performed in connection with any such request. Fees for such services (and their scope) would be subject to the mutual agreement of the Group and us at such time as we are engaged to perform the services and would be described in a separate engagement letter.

In the event the audited performance information and financial statements and audit report are published on a website, the security, and controls over information on the website should be addressed by the Group to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial information on the Group website is beyond the scope of the audit of the consolidated performance information and financial statements. Responsibility for the electronic presentation of the consolidated performance information and financial statements on the Group website is that of the Council.

If the consolidated performance information and financial statements are published on the Group website, the Council agree to display the following disclaimer in the audit report on the website with the consolidated performance information and financial statements:

Matters relating to the electronic presentation of the audited consolidated performance information and financial statements

This audit report relates to the consolidated performance information and financial statements of the Group for the year ended 31 March 2023 included on Internet New Zealand Incorporated's website. The Group is responsible for the maintenance and integrity of its website. We have not been engaged to report on the integrity of Group's website. We accept no responsibility for any changes that may have occurred to the consolidated performance information and financial statements since they were initially presented on the website.

The audit report refers only to the consolidated performance information and financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these consolidated performance information and financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the audited consolidated performance information and financial statements and related audit report for the year ended 31 March 2023 to confirm the information included in the audited

consolidated performance information and financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of performance information and financial statements may differ from legislation in other jurisdictions.

6. Fees

Our proposed fee exclusive of GST and disbursements includes the following:

| Service | Fee (\$) |
|--|------------------|
| <i>Audit of the parent and consolidated financial statements</i> | \$ 26,000 |
| <i>Audit of the performance information</i> | \$ 4, 000 |
| Total | \$ 30,000 |

| | |
|---|---|
| <i>Assurance work over change in the Registry IT system, review of data transition process including verifying the completeness and accuracy of the data.</i> | \$ 7,800 <i>(It should be noted that this work has been completed and the amount has been paid)</i> |
|---|---|

Assumptions

The above fee assumes that all information provided to complete the engagement is of a required standard and provided in a manner that allows for the timely completion of the engagement in accordance with agreed timetables. Where matters arise in respect to the preceding or matters arise during the engagement that were not contemplated in the original fee setting process additional fees may be payable.

Billing

All fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement. Individual hourly rates vary according to the degree of responsibility involved, and the experience and skill required.

Our fees will also include an additional 5% service charge to cover certain technology costs, software license fees and other routine office expenses such as filing, photocopying, research, couriers, local mileage, and toll/mobile charges.

We will also charge airfares, accommodation, and other substantial out-of-pocket expenses separately.

Fee overruns

If it appears that the fee is likely to be significantly greater than we have estimated, we will discuss this with you. We have the right to render reasonable fees for additional Work we perform following the issue of a final report where that further Work properly arises from the issue of our report and that Work can be reasonably expected to be performed by us.

GST

Any applicable GST is payable by you in addition to our fees.

Payment terms and overdue accounts

Our invoices are due for payment on the date 20 days after the date of the relevant invoice.

We reserve the right to charge you compounding interest on amounts not paid by the due date at the default rate of 1% per month (or part thereof), or any other rate notified to you on your invoice. Interest applies from the date payment by you is due to the date we receive your payment in full. You will also be liable to pay any reasonable expenses (including legal, administrative and collection agency costs) that we incur in relation to the recovery of any overdue payment and the enforcement of any of our other legal rights. We are entitled to exercise a general lien over all the books, records, related

documents, and other such chattels that may come into our possession for the purpose of performing professional services for you, until all costs and charges whatsoever for our professional services of any nature to you have been fully paid.

7. Terms and conditions

All Services are provided subject to the terms and limitations set out in the attached Terms and any other appendices except as modified or amended by this letter.

8. Continuing effect

This letter and its appendices will be effective in future years unless we advise otherwise, or we mutually agree upon changes in the arrangement.

We look forward to full co-operation with your staff and we trust that they will make available to us any records, documentation and other information requested in connection with our audit. We recommend that you appoint one of your staff members as a central contact point to assist us during our audit.

Agreement

We would be grateful if you would sign below and return a copy of this letter to confirm your agreement to the terms and limitations of this engagement letter, the accompanying Terms, and any other appendices. If the contents are not in accordance with your understanding of our engagement, we would be pleased to discuss your observations and provide further information as you may require.

Yours faithfully

Grant Thornton New Zealand Audit Limited



Enclosures: Appendix 1 – Grant Thornton Terms and Conditions

Client Acceptance

Internet New Zealand Incorporated acknowledges receipt of this Letter and the attached Appendix 1 - Terms and Conditions on behalf of the Group and confirms and accepts the engagement of the Grant Thornton New Zealand Audit Limited to provide the Services on the terms and conditions set out in this Letter and the Terms and Conditions contained in Appendix 1.

Authorised signatory:

Name of signatory:

Position :

Date:

Appendix 1 – Terms and Conditions

1. This Agreement

1.1 This Agreement, comprised of the Engagement Letter, the Terms and any Annexures, is a contract between us. It sets out the terms and conditions on which we will provide the Services to you. Where the Engagement Letter is addressed to more than one Addressee, each Addressee is a party to, and is bound by, the terms of this Agreement. We will treat you as having accepted this Agreement if you continue to instruct us after you receive it.

2 Term

2.1 This Agreement starts on the date you sign and return the Engagement Letter to us or when we first start work on the Services for you, whichever is first. Unless it is terminated earlier, this Agreement terminates when we have completed providing the Services to you and you have paid us our Fees.

3 Our services

3.1 The Services we have agreed to provide to you, which comprise the scope of our work for this engagement, are described in the Engagement Letter.

3.2 From time to time, you may request additional services from us. Where we agree to provide these services to you, they will be governed by these Terms and the Engagement Letter amended as agreed in relation to the scope of work, or by a separate Engagement Letter.

3.3 We will use reasonable efforts to ensure that our Representatives named in the Engagement Letter are available to provide the Services. However, if we need to, we may replace or reassign any Representative at any time upon giving reasonable notice to you.

4 Grant Thornton

4.1 "Grant Thornton" refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms as the context requires. Grant Thornton New Zealand is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL and its members firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

4.2 We may use other member firms of GTIL to help us provide the Services to you. Where this happens, we will be responsible for any work undertaken by them and you agree that no other member firm of GTIL will be responsible to you and that you will not bring any claims or proceedings in connection with the Services against any other member firm of GTIL or any of their partners, employees, contractors or sub-contractors that we may use in providing Services to you.

4.3 Any member firm of GTIL that helps us to provide the Services to you may rely on this Agreement and, to the extent permitted by the law of any relevant jurisdiction (including, for the avoidance of doubt, in New Zealand, the Contracts (Privity) Act 1982), is an intended third-party beneficiary of, and entitled to enforce, this Agreement in its own right.

5 Reliance on your information

5.1 You agree to provide to us on a timely basis all information, assistance and facilities that we reasonably require to provide the Services.

5.2 You warrant that the information provided by you or on your behalf is accurate and complete and, unless otherwise agreed in writing, we will rely on that information without further verification. You agree to promptly advise us if there are any changes to any financial or personal information about yourself.

5.3 Where requested you agree to provide us with a representation letter from you confirming the reasonableness and/or accuracy of any information that you have provided.

6 Reliance on our advice

6.1 You may rely only on our final written Report or other final product in connection with the Services which has been signed on behalf of Grant Thornton New Zealand as final advice by the Grant Thornton engagement partner (the **Final Advice**). No reliance may be placed on any oral or electronic communications or drafts of written reports or any other communication made prior to the Final Advice.

6.2 Unless otherwise specified in the Engagement Letter, any advice, opinion or other output relating to the Services is provided solely for your use and benefit. Except as required by law, you may not disclose all or any part of the advice, opinion or other output in any way to any other party without our prior written consent.

6.3 We do not accept or assume responsibility to anyone other than you in relation to our Work.

7 Fees

7.1 Unless otherwise agreed in writing, the Fees charged will be based on the time spent by professional staff at charge-out rates based on the level of skill, experience and responsibility to perform the work.

7.2 In addition to our hourly rate, we charge a standard fee equal to 5% of our Fees for technology and software licence costs, office services, including, but not limited to, secretarial support, telephone and photocopying. Any other disbursements to third parties or out-of-pocket expenses reasonably incurred by us in providing the Services are in addition at cost.

7.3 Payments may be made by cheque or direct deposit into our bank account. Alternative payment arrangements may be discussed with us and are to be agreed in writing.

7.4 Unless we state otherwise, our Fees exclude GST. You agree to pay any GST imposed on us, now or in the future, in relation to this Agreement. Any applicable GST is payable in addition to our Fees.

7.5 Unless otherwise agreed in writing, we will invoice you on a monthly basis and our invoices will be due for payment within 20 days of the date of the relevant invoice. If, at your request, we readdress any invoice relating to the Services to another company or entity, you agree that you remain liable for that invoice even though it has been readdressed, and you agree to indemnify and keep indemnified Grant Thornton New Zealand for and against any costs or expenses arising from or in connection with such action.

7.6 Without prejudice to any of our recovery rights, we reserve the right to charge you compounding interest on amounts not paid

by the due date at the default rate of 1% per month (or part thereof), or any other rate notified to you on your invoice. Interest applies from the date payment by you is due to the date we receive your payment in full.

- 7.7 You will also be liable to pay any reasonable expenses (including legal, administrative and collection agency costs and our time at prevailing hourly rates) that we incur in relation to the recovery of any overdue payment and the enforcement of any of our other legal rights.
- 7.8 We are entitled to exercise a general lien over all the books, records, related documents and other such chattels that may come into our possession for the purpose of performing the Services until all our Fees, costs and charges for the Services have been fully paid.
- 7.9 You agree to pay any undisputed portions of an invoice even if there is a dispute between us about that invoice or another invoice.
- 7.10 Without affecting our rights to recover payment of outstanding amounts, we reserve the right to suspend or terminate this Agreement and the Services we provide under it in the event our invoices are not paid by the due date specified in the invoice.
- 7.11 If this Agreement is terminated or suspended in accordance with clause 7.10, then you will immediately pay Grant Thornton New Zealand for all Services rendered until the date of termination or suspension.

8 Confidentiality

- 8.1 We agree to keep all your Confidential Information confidential.
- 8.2 You agree that we may disclose your Confidential Information:
- unless prohibited by law, to other member firms of Grant Thornton International Ltd in order to provide the Services to you;
 - as required by law, order of any court, tribunal, authority or regulatory body, rules of any stock exchange or any professional standard; and
 - to our insurers or professional advisers.
- 8.3 Except as required by law, order of any court, tribunal, authority or regulatory body or rules of any stock exchange, you agree to keep all our Confidential Information confidential. You may also disclose our Confidential Information to your Professional Advisers as long as you first obtain undertakings from your Professional Advisers to keep our Confidential Information confidential.
- 8.4 Where appropriate, we may use the credentials obtained in doing work for clients in internal and external publicity material. We will always ask your permission before publicly claiming credit for work we do for you. However, unless you expressly forbid us from doing so, we may refer to work we have done for you in proposals (or other similar submissions) to prospective clients.

9 Personal information and privacy

- 9.1 It is acknowledged and agreed that, during the course of this Agreement, Grant Thornton New Zealand may collect personal information about you, your officers, employees, consultants, agents or contractors or your clients (**Personal Information**), either from you or from third parties.

9.2 We agree to handle all Personal Information about you in accordance with the Privacy Act 2020 (the **Privacy Act**).

9.3 Except as required by law, we agree to work together with you to meet any obligations we may each have under the Privacy Act including, where relevant, notifying the individual to whom the Personal Information relates of who we are and how we propose to use their information.

9.4 Where you provide us with any Personal Information relating to a third party, you confirm that you have collected this Personal Information in accordance with the Privacy Act, that you are entitled to provide this Personal Information to us and that we may use and disclose this Personal Information for the purposes of providing the Services. We agree to handle all such third-party Personal Information in accordance with the Privacy Act.

9.5 We will use your Personal Information for the purposes of completing work for you at your request and, subject to the confidentiality obligations in clause 8 of these Terms (if applicable), may provide Personal Information provided by you to third party bodies charged with the oversight of the accountancy profession or in which Grant Thornton New Zealand holds a membership in its capacity as a professional auditing body.

9.6 Under the Privacy Act you have the right to have access to Personal Information that we hold about you and to require us to change it if it is not correct. Personal Information provided by you will be held by us at our premises or at our offsite backup and storage facilities.

10 Access to information held by third parties

- 10.1 You authorise any person or organisation which holds information in relation to you to provide us with such information as we may require to provide the Services under this Agreement.
- 10.2 For the purposes of clause 10.1, Grant Thornton New Zealand is authorised to receive information held on you by any credit reporting agency, solicitor, bank or any other person, agency or organisation transacting with you.
- 10.3 In the event that any person or organisation which holds information in relation to you, including any credit reporting agency, solicitor, bank or any other person, agency or organisation transacting with you, does not accept the authorisation given in this Agreement, you undertake to do all things reasonably necessary to arrange for the release of the required information to us.

11 Our work papers

- 11.1 The Work Papers, including electronic documents and files, for this Agreement are the property of Grant Thornton New Zealand.
- 11.2 Requests by third parties for access to our Work Papers, including those made by parties entitled by law to compel us to provide such access and by parties entitled by professional obligations to request access, will, where reasonably practical to do so, be discussed with you before access is given. We reserve the right to request a "hold harmless" letter from you and any third parties receiving our Work Papers.
- 11.3 We will store our Work Papers for the minimum period stipulated by any relevant legislation. At the end of that period, our Work Papers may be destroyed and, if so, will be destroyed in a confidential manner. Work Papers may be

destroyed earlier if they have been converted to electronic format.

12 Your documents

12.1 If we are provided with custody of any documents belonging to you, including share registers or constitution documents, those documents will be retained during the course of this Agreement (unless their earlier return is requested by you in writing), at the end of which they will be returned to you, once all Fees owing for the Services are paid, unless separate arrangements have been made. We are entitled to retain copies of any such documents.

13 Electronic correspondence

13.1 Each of us agrees to the use of electronic methods to transmit and receive information, including Confidential Information, between us and you, and between us and outside entities (including specialists engaged by either us or you).

13.2 However, as you are aware, the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe for use.

13.3 Each of us agrees that it will be responsible for protecting its own systems in relation to electronic communication and neither of us has any liability to the other on any basis, whether in contract, tort (including, but not limited to, negligence) arising from or in connection with the electronic communication of information between us.

14 Intellectual property

14.1 Grant Thornton New Zealand will retain all Intellectual Property in any Work, processes, ideas, concepts, technologies and business methodologies that are used in or that are developed in the course of providing the Services to you under this Agreement.

14.2 Subject to full payment of all invoices rendered by us to you under this Agreement and to your undertaking set out in clause 14.3 below, we give you a non-exclusive royalty-free copyright licence to utilise any Reports.

14.3 You undertake that you will not assert any proprietary interest beyond the non-exclusive royalty-free copyright licence granted in clause 14.2.

14.4 You acknowledge that to the extent permitted by law, we have a prior right to apply for a patent or other protection in any jurisdiction where this is possible to protect our Intellectual Property.

14.5 You agree we can use your logos and marks on our Work, unless you notify us in writing otherwise.

15 Indemnity

15.1 To the fullest extent permitted by law, you indemnify and hold us and our partners, employees, affiliates and subcontractors (each an **Indemnified Person**) harmless from any liability, losses, damages, expenses and legal or other costs which an Indemnified Person sustains in the event that:

- a) representations made to an Indemnified Person by you or your directors, your management team, employees or your agents are subsequently found to be false or misleading (including by way of omission); or
- b) a third party, who is not party to this Agreement, makes a claim against an Indemnified Person, except to the extent

that such amounts are finally and judicially determined to have been caused primarily by the Indemnified Person's fraud.

15.2 The indemnity contained in this clause 15 survives termination of this Agreement.

16 Limitation of liability

16.1 Where permitted by law, our liability in connection with the Services will be limited in accordance with this clause 16.

16.2 Our aggregate liability to you (including interest and costs) in contract or tort (including, but not limited to, negligence) under statute or otherwise in relation to the Services provided under this Agreement will be capped at \$50,000 in total. This cap will not apply to amounts which are finally and judicially determined to have resulted primarily from our fraud.

16.3 In no circumstances will we be liable to you for indirect, consequential, special or punitive damages whatsoever (including loss of revenues and/or profit, or loss of opportunity).

16.4 Where there is more than one Addressee, the limitation of liability referred to in clause 16.2 is to be allocated between the Addressees on terms agreed by them. No Addressee may dispute the enforceability or operation of clause 16.2 on the grounds that no such allocation was agreed.

16.5 Subject always to the maximum aggregate liability referred to in clause 16.2, our liability to you will be limited to the proportion (the **Grant Thornton Proportion**) of the legally payable amounts which may be justly and equitably attributed to us, after taking into account the responsibility of the Addressees and any other third parties who have contributed to your loss (whether or not those other persons are able to meet any liability they may have to you). Where the extent of the Grant Thornton Proportion is not determined, the matter will be referred to binding arbitration by a single arbitrator appointed pursuant to the Arbitration Act 1996.

16.6 Should you wish to bring a claim against us regarding the Services, this must be commenced by you no later than two years from the date on which you became aware or ought reasonably to have become aware of the act or omission giving rise to the claim.

16.7 In any event, legal proceedings regarding the Services provided to you under this Agreement must be commenced within four years of the date on which the act or omission giving rise to the claim occurred.

16.8 Any condition or warranty which might otherwise be implied or incorporated within this Agreement by reason of statute, common law or otherwise is hereby expressly excluded, to the maximum extent permissible by law. If you are acquiring, or hold yourself out as acquiring, the Services for business purposes, any guarantee which might otherwise be implied or incorporated within this Agreement pursuant to the Consumer Guarantees Act 1993 is hereby expressly excluded.

17 Unexpected delay

17.1 We are not responsible nor are we liable to you or anyone else for any failure in providing the Services that is caused by or contributed to by an act or event (including non-performance of your obligations) that is beyond our reasonable control or not reasonably foreseeable by us at the date of this Agreement (an **Unexpected Delay**).

17.2 You acknowledge that this Agreement will be varied to include any changes in the scope of the Services, the Fees or the timeframes for completion of the Services if any Unexpected Delay requires it.

17.3 If we are required to perform additional services because of an Unexpected Delay, then the Agreement will be varied to include those additional services and any additional fees that apply.

17.4 If we are delayed and/or unable to supply any Services due to an Unexpected Delay, we may terminate or suspend this Agreement without incurring any liability for any loss or damage whatsoever suffered by you or any other person.

18 Conflicts of interest

18.1 Grant Thornton New Zealand has relationships with many clients. This means that after the commencement of this Agreement we may identify circumstances that could cause us to have a conflict of interest. If this happens, we will evaluate the potential conflict and, depending on the circumstances, apply the appropriate safeguards to manage it. For example, we may notify you of a relationship that causes Grant Thornton New Zealand a conflict and ask for your consent to continue to provide you with the Services. However, you acknowledge that we may need to terminate this Agreement if we are unable to resolve or manage a conflict of interest satisfactorily.

18.2 This Agreement will not prevent or restrict Grant Thornton New Zealand or any other member firm of Grant Thornton International Ltd from providing services to any other person or using or sharing any knowledge, experience and skills arising from providing the Services to you subject to the obligations of confidentiality set out in this Agreement, even if those other persons' interests are in competition with your interests. You agree that, to the extent we or any other member firm of Grant Thornton International Ltd, possess any confidential information on another client or other third party, we or any other member firm of Grant Thornton International Ltd will not be obliged to disclose it to you or make use of it for your benefit.

19 Dispute resolution

19.1 If there is any dispute arising between us concerning this Agreement, or as to any matter or in any way connected with or arising out of the provision of our Services or the rights, duties, or liabilities of any party in connection with such Services, then the dispute must be advised in writing to all other affected parties, and those parties must in good faith enter into a dispute resolution process agreed upon by them, or failing agreement, recommended by the New Zealand Institute of Chartered Accountants. If the dispute is not resolved through discussion, then the parties agree that it will be referred to binding arbitration by a single arbitrator appointed pursuant to the Arbitration Act 1996.

19.2 Nothing in this clause prevents either of us from seeking any equitable relief in relation to its rights under this Agreement.

20 Health and safety

20.1 We are required to comply with the provisions of the Health and Safety Work Act 2015 (the **HSW Act**) by taking all practicable steps to ensure the health and safety of our people. The HSW Act places responsibility for their safety on you when they are visitors to your site. It may be appropriate for your health and safety representative to hold a safety briefing at the beginning of the assignment for those involved,

regarding the hazards, provision of any appropriate equipment, awareness of accident reporting procedures and emergency procedures.

21 Employment of Grant Thornton New Zealand personnel

21.1 You will not, unless our prior written consent is obtained, during the course of this Agreement and for a period of twelve months after the end of this Agreement:

- a) solicit or entice away any partner or employee of Grant Thornton New Zealand with whom you had dealings in connection with this Agreement to work for you or any of your affiliates; or
- b) employ or seek to employ any such person.

21.2 If we give our consent in accordance with clause 21.1 and the employee or partner departs Grant Thornton New Zealand for employment with you, a fee of 25% of the greater of the partner or employee's existing salary package with Grant Thornton New Zealand or the salary package accepted by the relevant partner or employee (plus GST) is, at our request, payable to Grant Thornton New Zealand as compensation.

21.3 This clause will not prevent you from running recruitment advertising campaigns nor from offering employment to any of our partners or employees who may respond to any such campaign.

22 Termination

22.1 Either of us may terminate the engagement set out in this Agreement:

- a) at any time by giving the other 30 days' written notice; or
- b) with immediate effect by giving notice to the other party (the **Defaulting Party**) if one or more of the following events occurs:
 - i. the Defaulting Party becomes insolvent or otherwise ceases to carry on business; or
 - ii. the Defaulting Party commits a material breach of any of the provisions of this Agreement that is not remedied within 14 days of receipt of a notice requiring the breach to be remedied.

22.2 We may terminate our engagement under this Agreement by giving notice to you in writing if:

- a) you fail to meet your obligations under this Agreement, including to pay our Fees within the time specified or to provide us with adequate information or instructions; or
- b) there is a change of circumstances beyond our reasonable control (such as auditor independence or regulatory related developments) that prevents us from providing the Services to you.

22.3 If our engagement under this Agreement is terminated:

- a) you agree to pay us the Fees for any Services we have performed and any expenses we have incurred up to the date of termination;
- b) where relevant, each of us will return (in the case of Grant Thornton New Zealand, to the extent our Fees, costs and charges have been fully paid) to the other any documents or property of the other that it has, except that we may retain one copy of all information to allow us to satisfy our professional obligations and record keeping requirements, and

- c) this does not affect any accrued rights of either of us or any provision of this Agreement which continues to apply.

The provisions of this Agreement which survive termination are those set out in clause 4 (*Grant Thornton*), clause 6 (*Reliance on our advice*), clause 8 (*Confidentiality*), clause 9 (*Personal information and privacy*), clause 11 (*Our work papers*), clause 12 (*Your documents*), clause 13 (*Electronic correspondence*), clause 14 (*Intellectual property*), clause 15 (*Indemnity*), clause 16 (*Limitation of liability*), clause 19 (*Dispute resolution*), clause 21 (*Employment of Grant Thornton New Zealand personnel*), clause 23 (*Severability*), clause 24 (*Entire agreement*), clause 25 (*Governing law and jurisdiction*), clause 29 (*No waiver*), clause 31 (*Interpretation of this Agreement*) and clause 32 (*Definitions*).

23 Severability

- 23.1 If at any time any of the terms of this Agreement is or becomes illegal, invalid or legally unenforceable then that term or the relevant part of it will be ignored, but in all other respects this Agreement will have full effect.

24 Entire agreement

- 24.1 This Agreement, subject to any qualifications, conditions, assumptions and reservations set out in any Report or opinion furnished to you:

- a) constitutes the entire understanding and agreement of the parties relating to the matters dealt with in it;
- b) supersedes and extinguishes all prior agreements, statements, representations and understandings whether verbal or written between us relating to the matters dealt with in this Agreement.

- 24.2 Any changes to this Agreement must be agreed by mutual agreement in writing between us.

25 Governing law and jurisdiction

- 25.1 This Agreement is governed by the laws of New Zealand and each party irrevocably submits to the exclusive jurisdiction of the courts of New Zealand.

26 Fair Trading Act

- 26.1 To the fullest extent permitted by law, the parties agree to contract out of the Fair Trading Act 1986, including sections 9 and 13. Each party acknowledges and agrees that, in the context of this Agreement, it is fair and reasonable for it to be bound by this clause.

27 Assignment

- 27.1 Neither of us may transfer, assign or novate this Agreement without the prior written consent of the other. However, Grant Thornton New Zealand may assign this Agreement to any successors to its business or as part of any restructuring of its business.

28 Verification of identity

- 28.1 In some circumstances, the Financial Transactions Reporting Act 1996 may require us to verify the identity of our client. You agree to immediately provide any documentary or other evidence reasonably requested by us to verify your identity.

29 No waiver

- 29.1 No failure or delay by us to exercise any power, remedy or right in relation to this Agreement will prejudice, limit, effect or operate as a waiver of that power, remedy or right, nor mean that we are unable to waive any default or breach of any

obligation, liability or agreement of any other party. However, no waiver of any breach of this Agreement will be effective unless the waiver is in writing and signed by us. A waiver of any breach will not be, or be deemed to be, a waiver of any other or subsequent breach.

30 General

- 30.1 You represent that the person signing the Engagement Letter on your behalf is expressly authorised to execute it and to bind you and any of your affiliates or others for whom Services are performed to the terms of this Agreement.

31 Interpretation of this Agreement

- 31.1 In this Agreement:

- a) headings are for convenience only and do not affect how this Agreement is interpreted;
- b) the singular includes the plural and vice versa;
- c) if a word is defined its other grammatical forms have a corresponding meaning;
- d) the use of words such as 'includes' or 'including' to introduce a list does not limit what may be included in that list;
- e) the word 'person' includes an entity, a firm, a body corporate, an unincorporated association or an authority;
- f) a reference to this Agreement is to this Agreement, as amended, varied, novated or replaced from time to time;
- g) a reference to dollars or \$ means New Zealand dollars;
- h) a reference to a clause or subclause is to a clause or subclause in this Agreement;
- i) a reference to any law is a reference to that law as amended, consolidated, supplemented, replaced, overruled or applied to new or different facts; and
- j) if there is any conflict between these Terms and any other part of this Agreement, the following order of priority will apply:
 - i. the Engagement Letter;
 - ii. the Annexure; and
 - iii. the Terms.

32 Definitions

- 32.1 In this Agreement the following words have the meanings set out below:

Addressee means each person to whom the Engagement Letter is addressed and includes, where relevant, any additional parties who may agree to the terms of this Agreement.

Agreement means the Engagement Letter, the Terms and any other Annexures.

Annexure means a document which is annexed or attached to the Engagement Letter and identified as an annexure or attachment to it and includes a schedule, appendix or attachment to the Engagement Letter.

Confidential Information means and includes:

- a) the terms of this Agreement and the details of the Services;

- b) any information or material which is proprietary to or deemed to be proprietary to a party;
- c) any industrial and intellectual property rights throughout the world and includes rights in respect of copyright, patents, trademarks, designs, trade secrets, know-how, and methodologies and technologies that:
 - i. in relation to you, are used in your business, and to which Grant Thornton New Zealand is exposed in the course of providing the Services; or
 - ii. in relation to Grant Thornton New Zealand, we use to provide the Services;
- d) trade secrets;
- e) our processes, concepts and techniques;
- f) any information designated as confidential by either of us;
- g) any Work we provide to you, including but not limited to the Work Papers, including electronic documents and files for this Agreement; and
- h) any information acquired by either of us solely as a result of the Services,

but excludes any information that:

- a) is or becomes publicly available (other than as a result of disclosure by the receiving party);
- b) is disclosed to either of us by a third party provided that the recipient reasonably believes the third party is legally entitled to disclose such information;
- c) is developed by the receiving party independently of, or was known by the receiving party prior to, any disclosure of such information made by the disclosing party; or
- d) is disclosed with the written consent of the disclosing party.

Engagement Letter means the engagement letter between us to which the Terms are attached, including any replacement or supplementary engagement letter.

Fees means the fees for the Services as stated in, or calculated in accordance with, this Agreement.

Grant Thornton refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms as the context requires.

Grant Thornton International Ltd (GTIL) is a non-practising, international umbrella entity organised as a private company limited by guarantee incorporated in England and Wales. GTIL does not deliver services in its own name or at all. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

Grant Thornton New Zealand means the New Zealand entity entering into this Agreement that is a member firm of Grant Thornton International Ltd, and any of their respective predecessors, successors or assignees.

Grant Thornton Proportion has the meaning given to it in clause 16.5.

Grant Thornton Service Providers means the Grant Thornton New Zealand entity or entities entering into the Agreement as identified in this Agreement and includes, as the context requires, any of their Representatives.

GST means tax imposed by the *Goods and Services Tax Act 1985*.

Intellectual Property means all intellectual property rights throughout the world and includes rights in respect of copyright, patents, trademarks, designs, trade secrets, know-how and methodologies and technologies.

Professional Advisers in clause 8.3 means your lawyers or other professional advisers, such as your accountant, who are assisting you in relation to the Services but excludes any investor, agent, intermediary, underwriter, syndicate participant, lender or other financial institution or anyone who may provide you with any credit enhancement or credit rating.

Report has the meaning given to it in the Engagement Letter or where this is not specified, means any report, statements and letters provided to you in connection with this Agreement.

Representative means any officer, employee, consultant, agent, contractor or subcontractor of either of us, who is involved in the activities to which this Agreement relates and in the case of Grant Thornton, includes a partner.

Services means the services described in the Engagement Letter, including any other services subsequently provided by us unless we have otherwise agreed in writing.

Terms means these terms and conditions.

us means the Grant Thornton Service Providers or both you and the Grant Thornton Service Providers, as the context requires.

we and our means the Grant Thornton Service Providers.

Work means any advice or materials including any reports, documents, advice, opinions, e-mails, notes or other deliverables, whether in draft or final form, in writing or provided orally, that we prepare either alone or in conjunction with you or provide to you as a result of this Agreement and includes any Reports and Work Papers.

Work Papers means any files or work papers created by us as our record of the Services.

you and your means each Addressee as applicable, each Addressee's Representative or Professional Advisers.



Required Enquiries of Management to Council

Internet New Zealand Incorporated

31 March 2023

Discussion Date: 20 March 2023

Responder by: Vivien Maidaborn Tumu Whakarae | Chief Executive.

As assurance to Those Charged with Governance (TCWG) Management provides responses that In accordance with ISA (NZ) standards the auditor make enquiries of Those Charged with Governance (TCWG) as follows:

| Fraud and Fraud Risk Questions | Management Responses |
|---|---|
| How do Management provide oversight to TCWG of management's processes for identifying and responding to the risks of fraud in the entity and the internal controls that management has established to mitigate these risks? | Management has processes for identifying and responding to the risks of fraud in the organisation and internal controls are established to mitigate those risks by ensuring that the policies and procedures that are in place are reviewed regularly. The responsibility of the Audit Finance & Investment Committee and TCWG is to oversee the policies and procedures in place are followed. If issues or concerns arise, then the AFI consults with Management, recommends amendments to ensure the effectiveness of the policies and keeps Council updated. Council is provided monthly YTD reporting for review. Management is provided with detailed reporting monthly for review. Council then reviews the quarterly reporting with the confidence that the procedures have been followed and that management has clear visibility of all transactions. |
| Management override of controls is a presumed risk on all audits. What processes does the Chief Executive (CE) have in place to detect instances where management have overridden controls? | The CE agrees that management override of controls is a presumed risk in all audits. The CE believes that the policies (e.g., the Whistleblower policy) and procedures, and checks and balances that are in place will detect instances where management may have overridden controls. Management also encourages a culture and understanding that staff, no matter what level, can report reasonable faith concerns to another Senior Manager/GM, CE, President, VP, or AFI member as appropriate. |
| To your knowledge has there been actual, suspected or alleged fraud affecting the entity? | Management has no knowledge of any actual, suspected, or alleged fraud affecting the entity |
| Do Management have any specific areas of concern in respect to fraud and fraud risk that you consider TCWG should advise the audit team to be focused on during the course of the current year audit? | On the date of completing this form, Management has no specific areas of concern with respect to fraud and fraud risk that they consider those TCWG should advise the audit team should be focused on during the current year audit |

| Related Parties Questions | Management Responses |
|---|---|
| What is the identity of the entity's related parties, including changes from the prior period? | Domain Name Commission Limited (DNCL) |
| What is the nature of the relationships between the entity and these related parties? | Parent and subsidiary |
| Has the entity entered into any transactions with these related parties during the period and, if so, the type and purpose of the transactions? | <p>Yes, as follows:</p> <p>DNCL pay an administration fee to InternetNZ for services provided e.g., rent, power, HR, Financial</p> <p>INZ pay a management fee to DNCL</p> <p>InternetNZ has Trade debtors owing from DNCL</p> <p>InternetNZ has Trade creditors owing to DNCL</p> |
| How do Management identify, account for, and disclose related party relationships and transactions in the financial statements? | Management and all staff have an obligation to update any conflict of interest as they may arise. An annual declaration request is also sent to all staff and TCWG, and if applicable these are recorded and reported within the Financial Statements. |
| How do Management authorise and approve significant transactions and arrangements with related parties? | When a conflict of interest is identified the staff member or TCWG member is required to declare the conflict in writing to the CE or to the President or VP, and have it recorded at the next Council meeting, along with how they propose to manage the conflict or potential conflict, or by recusing themselves from any decision relating to the conflict. |
| How do Management authorise and approve significant transactions and arrangements outside of the normal course of business? | When a conflict of interest is identified outside the normal course of business the related party is required to declare the conflict in writing to the CE and the President or VP, and have it recorded at the next Council meeting, along with how they propose to manage the conflict or potential conflict. |
| Going Concern Questions | Management Responses |
| Management have assessed and identified events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern and, if so, their plans to address them? | On the date of completing this form Management have assessed and identified no events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern. |
| Litigation and Claims Questions | Management Responses |
| Have Management identified possible litigation and claims which may give rise to a risk of material misstatement? | On the date of completing this form Management are not aware of any possible litigations or claims which may give rise to a risk of material misstatement. |
| Laws and Regulations Questions | Managemen Responses |
| Are Management aware of any non-compliance with any laws and regulations? | On the date of completing this form Management were not aware of any non-compliance with any laws and regulations |

Health, Safety and Wellbeing Report

AUTHOR: Health, Safety and Wellbeing Committee

PURPOSE: To provide the Committee with an update on Health Safety and Wellbeing (HSW) for the InternetNZ Group.

This report is prepared for InternetNZ Group and all information is based on group Staff (INZ and DNCL) and activities of a Group HSW Committee.

| Period | Number of Near Misses reported/or identified | Number of Incidents reported/or identified | First Aid Incidents/ Accidents reported/or identified |
|----------------------------|--|--|---|
| 10 Nov 2021 - 27 Jan 2022 | 1 | 0 | 0 |
| 28 Jan 2022 - 9 Mar 2022 | 0 | 0 | 0 |
| 10 Mar 2022 - 4 May 2022 | 0 | 0 | 0 |
| 5 May 2022 - 15 June 2022 | 1 | 0 | 0 |
| 16 June 2022 - 31 Aug 2022 | 1 | 0 | 0 |
| 1 Sep 2022 - 17 Nov 2022 | 1 | 0 | 0 |
| 18 Nov 2022 - 8 March 2023 | 2 | 1 | 1 |

Summary

Incidents and Hazards

- Since the last report, there were **two near misses, one incident**, and **one First Aid incident/accident** that were reported and identified, which are as follows:
 - *Near Misses:*
 1. A staff member walked into the free-standing whiteboard. Although there was no injury, we still identified the whiteboard as a hazard and moved it away from the walkway.

2. One of the lifts at the WLG office was stuck at Level 13 for half an hour. The building manager was notified as soon as it occurred so they were able to arrange for a technician to investigate and fix the fault. The People & Operations Team will monitor progress on this as well provide staff any updates received from the building manager regarding this matter.

- *Incident:*

1. A worker was exposed to racial abuse from a member of the public while leaving the INZ office and this has highlighted the need for appropriate support to be available when a person on InternetNZ business is confronted in this way. Next steps - further discussion with TKT on any further action.

- *First Aid incident/accident:*

1. Three people tested positive for COVID after attending a meeting at the Wellington office. All people who came in contact with them on the premises have been notified of risk and to look for symptoms. Staff have been reminded of the mitigations in place when hosting or attending meetings in person.

HSW Committee update

The INZ Group's Health, Safety & Wellbeing Committee met on 6 March 2023. Key topic that was discussed was around concerns raised to the Committee regarding stress and low morale on staff. The Committee will provide feedback to Te Kāhui Tumu as well as some recommendations for them to consider that will help address these concerns.

The Committee's Terms of Reference has also been recently reviewed and updated in time of its annual review. A copy has been included in this report (see Appendix 1).

INZ Group COVID Stance document - update as at 31 Jan 2023

In order for our guidelines to be aligned with the government's in regards to mitigations and practices on COVID-19, the INZ Group COVID-19 Stance document has been updated and key changes made include:

- The process is now aligned with the government's stance.
- Kept our own traffic light system to be clear on our approach depending on the situations (e.g. sudden increase of COVID cases).
- Proposed COVID mitigations that were initially sent to the Committee have been assessed through a risk assessment process. Some have been incorporated into the document and some into events processes.

Some HSW Committee members attended a symposium on COVID and the workplace which discussed workplace risks, mitigations, and best practices related

to Covid-19. Key learnings noted from the symposium will be discussed at the next Committee meeting and will report back to the wider group.

Activity with potential HS&W impact

- **Avalon Data Centre move** - The Avalon Data Centre is being converted into residential apartments and we're required to move our servers and equipment to the Abel Smith Data centre. The completion date has been moved, meaning the work needs to be completed in a shorter timeframe than was originally anticipated. Additionally there have been multiple access issues when asbestos was removed from the site. The change in timeframe added pressure during a period when a number of staff were on leave. There are still two to three weeks more work until this move is complete.
- **Intercom System (WLG)** - The intercom system has now been installed at the WLG office and is now in use. The team will review how this is working and whether there is a need to include a panic button.
- **Seismic Report for WLG office** - Following the recent earthquake in Wellington, we asked Collier (Wellington office's property manager) for an up-to-date building report. They advised that 18 Willis was recently strengthened under C5 or 'the yellow chapter' which although is not formal regulation, is the most recent form of assessment. Given this work was completed under most recent form of assessment, there are no plans to repeat this exercise unless there is a change in regulation
- **Re-opening of the AKL office** - A small project team led by Dave Baker are currently working on the re-opening of the Auckland office. The aim is to have the office re-open for staff for use before the end of this month (March).

Recommendation

That the Health, Safety and Wellbeing Report be received.

Appendix 1

Health, Safety and Wellbeing Committee Terms of Reference

| | |
|-----------------------|---|
| Policy | Health, Safety and Wellbeing Committee Terms of Reference |
| Version | 4 |
| Date in force | 1 November 2022 |
| Planned review | 1 November 2024 |

Constitution

The Health, Safety and Wellbeing Committee ("the Committee") is a committee made up of InternetNZ Group staff with the specific delegated powers as set out in this Terms of Reference.

Objectives

The purpose of the Committee is to advise and support InternetNZ Group in its responsibility for the overall policy framework for health, safety and wellbeing; and assist in the imbedding of Health, Safety and Wellbeing related policies. In addition to this the Committee will respond to any health, safety and wellbeing concerns raised by staff.

This Committee does not relieve Group staff or Council members of their responsibilities in relation to their health, safety, and wellbeing.

The work of the committee will be guided by Te Tiriti o Waitangi principles.

Membership

The Committee shall consist of no fewer than four and no more than ten staff who can represent each puni of the group including staff who have selected office and home as their primary workplace.

There *should* be at least one member from the .nz Operations Team to ensure there is direct insight into health, safety and wellbeing issues at the offsite INZ Data Centres, and one representative from the Te Kāhui Tumu | Executive Leadership Team (TKT)

All members of the Committee should demonstrate an interest in health, safety and wellbeing and its implementation across the InternetNZ group.

The Chair will be rotated on a six-monthly basis.

At least one member of the committee must be trained and get the Health & Safety Representative [qualification](#). All members are encouraged to undertake this qualification.

Attendance

A nominated person from the Committee or the TKT member on the Committee will be the Principal Advisor to the TKT, the Council and the DNCL Board.

The People Advisor or nominated person will act as Secretary. In the People Advisor's absence, the Chair will nominate a member of the Committee to circulate the agenda and take minutes. Other Group staff or Council members may be invited to attend meetings at the discretion of the Committee.

Meetings

The Committee shall meet as frequently as required for the effective operation and discharge of the Committee's responsibilities. However, the Committee must meet at least quarterly.

Meetings of the Committee shall be scheduled by agreement with the Committee and with due regard to the work of the members of the Committee, the need for reasonable notice, and the availability of Committee members so as to avoid unnecessary re-scheduling of meetings.

Scheduled upcoming meetings, and minutes of previous meetings will be published in a timely fashion on Mārama to ensure openness and transparency in this Committee's business. All new staff must be made aware of how to access this information.

A majority of Committee members, present in person or by using any technology, shall constitute a quorum.

Unless directed by the Chair, the Secretary shall publish the agenda and any related papers on Mārama seven days prior to the meeting.

Minutes

The Committee Secretary shall ensure the preparation of notes of meetings.

Minutes of meetings shall be formally confirmed at the next meeting of the Committee, or be approved by the Committee at a meeting, or by email or via the Committee's Slack channel in between meetings. Minutes will be published on Mārama once approved, for transparency.

Responsibilities

The aim of the Committee will work to ensure that staff are engaged fully in health, safety, and wellbeing; including the organisation's response to COVID.

The Committee is responsible for making recommendations to staff (workers), TKT, Council and DNCL Board relating to health, safety, and wellbeing at InternetNZ and DNCL. Furthermore, the members of the Committee are responsible for liaising with the broader staff team to find ways to develop health, safety and wellbeing at InternetNZ and DNCL.

The Committee is responsible for developing and carrying out measures designed to ensure health, safety and wellbeing at work. The Committee may engage other staff members (who have an interest or are impacted by certain measures/decisions) to assist with such measures. This is to ensure we have a variety of views from different locations and teams.

The Committee will assist in developing workable standards, rules, policies, or procedures relating to health, safety and wellbeing.

The Committee may assist staff with their work in relation to health, safety and wellbeing from time to time, through responding to queries or discussing concerns/feedback raised by workers.

In summary, the duties of the Committee are to:

- Provide advice, guidance and oversight of health, safety and wellbeing at InternetNZ and DNCL.
- Make recommendations to InternetNZ Group staff, TKT, Council and DNCL Board, in collaboration with staff, where necessary.
- Maintain a general overview of health, safety and wellbeing and help generate ideas for its ongoing development and improvement.

Commitments

InternetNZ Group as a business commits to:

- consult with the Committee about health, safety and wellbeing matters;
- allow each member of the Committee time to attend meetings and carry out functions as a member of the committee;
- provide the Committee with the necessary information to perform its functions;
- ensure that members of the Committee are fully trained to complete this important role.

Other Matters

Consider any other matters referred by Staff, TKT, Council and/or DNCL Board.

Authorities

The Committee’s authority is limited to recommendations to staff, TKT, Council and DNCL Board on any matters related to health, safety and wellbeing.

In summary, specific authorities are as follows:

| Matter | Approvals / Recommendations |
|---|--|
| Health, Safety and Wellbeing related Policy | Make recommendations to TKT and DNCL Board |
| Health, Safety and Wellbeing Processes | Make recommendations to TKT and DNCL Board |
| Health, Safety and Wellbeing Concerns | Inform TKT, Council and DNCL Board |
| Implementation of good Health, Safety and Wellbeing Practices | Work with staff to implement |

In fulfilling its other responsibilities as set out above, it is an advisory and coordination body only.

Reporting

After each Committee meeting, the Nominated Principal Advisor shall report the Committee's findings and recommendations to TKT. The Chair may also be involved in this.

Staff shall report to the Committee before each meeting, or as necessary for input, against the Work Plan. Staff can suggest agenda items by emailing any member of the Committee. Due to the nature of health, safety and wellbeing, all workers for InternetNZ and DNCL should feel fully involved. All ideas, concerns or comments should be recorded and responded to so that everyone feels safe in the workplace.

Communication

The Committee shall maintain direct lines of communication with all staff. The Committee will utilise the Internal Communications Advisor, and the internal communications channels, rituals and events, as the means of communicating Health, Safety and Wellbeing items with all workers.

Review

This Terms of Reference document and the performance of the Committee shall be subject to 2-yearly review. The membership of the Committee will also be rotated on an annual basis.

MINUTES

COUNCIL MEETING

Status:

Draft to be Ratified

Date

Friday 10 February 2023

Present:

Council: Brenda Wallace (Vice President, Acting Chair), Whetu Fala, Don Stokes, Kate Pearce, Richard Hulse, Jeff Montgomery, Potaua Biasiny-Tule, Anjum Rahman and Anthony Bow

Apologies: President Liddicoat and Cr Roy

In attendance:

Staff: Vivien Maidaborn (Tumu Whakarae); Raniera Albert, Catherine Fenwick, Vanisa Dhiru, Tim Johnson and Diane Robinson

Member: David L Neil joined the hui, but due to technical issues was unable to stay online.

Section 1 - Meeting Preliminaries

1.1 Council only (in committee)

1.2 Council and CE alone time (in committee)

1.3 Karakia, apologies, interests register, and agenda review

The President joined for only the Council and CE alone time.

Apologies Cr Roy, and Cr Pearce joined the meeting at 11:12 am during section 2.2.

The following updates were made to the Interests Register:

Brenda Wallace

- Remove Board Member of TohaToha

Richard Hulse

- Advised that he is now longer an employee of GS1 New Zealand. This has already been updated on the register.

Whetu Fala

- Remove Co-Chair Ngā Taonga Sound and Vision Film Heritage Trust
- Add Chairman NZ Film and Heritage Trust | Te Puna Ataata

Potaua Biasiny-Tule

- Add Member of Te Papa Mati Hiko

1.4 Agenda Review

Section 2 - Strategic Priorities

2.1 Systemic Racism Review

Vivien provided an update to Council as follows:

- The draft Systemic Racism Review (SRR) project plan was shared with Te Komiti Whakauru Māori (TKWM) for their feedback at their Wānanga on 9th February and included in the Council boardbooks for input at today's meeting. It's a living document and will continue to be developed as the work progresses.
- Cultural Capability training for InternetNZ staff will start on 23 February 2023.
- Rec 1.3 - Explore options for healing with staff and council members for whom the events of 2021 and subsequent events continue to cause hurt and trauma. We will explore options for services that include Rongoa Māori, holistic health (Mirimiri), through Waiwhetu Marae healing centre.
- The Race Relations Commissioner has agreed to work with Ipurangi Aotearoa to create an external accountability framework for progress on SRR recommendations.
- Constitutional Change - the two committees engaged with this work are Te Komiti Whakauru Māori (TKWM) and the Governance Committee. The work on the Constitutional Change is expected to take a two year period.
- TKWM has Council support to lead the co-design approach with Māori. A Meeting of TKWM identified next steps in progressing this work and also people we could work with. The outcomes of the work will now be developed into a more detailed work plan through Te Puni Māori.

RN01/23 That Council receive the update on the Systemic Racism Review progress.

(All Council)
CARRIED U

AP01/23 Explore options for Rongoa Māori to be offered after Council Cultural Capability training in our offices.

2.2 Charting Constitutional Change - Members and the INZ Internet Community

Vivien talked to the paper as follows:

- The Constitutional Change process is likely to take 2 years of work from now to 2025 - working with members and the wider NZ Internet Community.
- This paper focused on three areas:
 - The shift we will take to engage the wider **NZ Internet Community** so we can grow and diversify membership
 - Alignment between our [Niho Taniwha strategy](#) and constitutional change
 - Establish understanding between Te Kāhui Tumu and Council on the roles and responsibilities

Council discussion included:

- Ensure we include people with internet accessibility issues as part of the NZ Internet Community (rural inaccessibility). Including tangata whenua who can not connect to the Internet.
- Importance of diversity in our membership was discussed and in particular how we engage young people.
- It was noted it was time we understood our current members better including their demographics.
- Public engagement and good communication will be very important for true consultation with Aotearoa and those who make up the NZ Internet Community.
- Barriers to engagement of the diversified community - might include funding some minorities to attend, when they have to take time off work or can not afford the costs of attending. Considerations to be made for this part of the community (lower deprivation areas).

RN02/23 That Council **endorse** the approach to NZ Internet Community and Membership described in the Charting Constitutional Change paper.

(Cr Fala/Cr Hulse)

CARRIED

Section 3 – Matters for Decision

3.1 Strategic Priorities 2023/24

The paper sought approval for:

- Strategic priorities toward achieving the [Niho Taniwha](#) over the next 2 years;
- The High level assumptions for the Budget 2023/2024

The input received from Council:

- Is the work plan achievable in the time frame? Council asked Tumu Whakarae (CE) to consider this question and review strategic goals with this in mind.

- A key part of achieving the work plan is changing how we work. This change process will be supported by [Greaterthan](#).
- .nz strategic goals will be reviewed to ensure they include the previously agreed strategy and there are not two separate policies.
- Consider the strategic priorities with a lens that would allow ‘Must have, Could have, Should have’ - this would further enable prioritisation.

RN03/23 **Agree** the strategic priorities and goals on the basis that the CE reviews goals and indicates priority at the next meeting on 31 March 2023.

(Cr Fala/Cr Pearce)
CARRIED

RN04/23 The high level budget assumptions are **received**.

(Cr Fala/Cr Pearce)
CARRIED

AP02/23 Literature regarding Strategic Priorities and resources provided by Greaterthan to Te Kāhui Tumu. To be shared with the Council.

Cr Bow left the meeting.

Section 4 – Matters for Discussion

4.1 President’s Report

The Council acknowledged and thanked the President for her leadership, hard work and grace during a period of change over 2022/2023.

RN05/23 That the President’s report be **received**.

(Cr Rahman/Cr Stokes)
CARRIED

4.2 InternetNZ Quarterly Report

Catherine and Vanisa talked to the Quarterly Report and responded to queries from Council relating to the charts and budget.

RN06/23 That Council **receive** the Committee report back.

(Cr Hulse/Cr Fala)
CARRIED

4.3 Report Back from Committees:

4.3.1 Audit, Finance and Investment (Chair, Cr Bow)

4.3.2 Governance Committee (Chair, Cr Hulse) - Verbal

4.3.3 Komiti Whakauru Māori (Chair, Cr Biasiny-Tule)

4.3.4 .nz Policy Committee (Chair, Cr Pearce) - Verbal

4.3.5 Risk and Compliance Committee (Chair, Cr Wallace)

Vivien shared an Asana Board (Internal workflow tool) called 'Governance' that captures the workload from the Council and Committees. Vivien advised Council that all the requests should meet and align with the strategic priorities. All significant work that may impact on other priorities should be made as a recommendation to Council by the committee.

All reportbacks from the Committees are to be provided as written or verbal by the Chair. All minutes will be provided by staff of Committee meetings and the Asana Board will be available to Council and Committee members as a working tool and resource.

RN07/23 That Council **receive** the Committee report back

(Cr Biasiny-Tule/Cr Stokes)

CARRIED

Section 5 - Consent Agenda

5.1 Health, Safety and Wellbeing Update (Verbal)

It was recommended by Council that the HSW reporting should be the latest reporting available. That it should not be held up if it has not been to the Risk and Compliance Committee. So that Council does not receive a very out of date HSW report. Should anything of significance be in the HSW reporting, it should be shared with the Chair of the Risk and Compliance Committee in advance for their awareness.

Note that the HSW Policy was prepared with Internal legal advice applied.

RN08/23 That Council **approve** the Health, Safety and Wellbeing Policy.

RN09/23 That Council **receive** the Health, Safety and Wellbeing Update

(Cr Montgomery/Cr Stokes)

CARRIED

5.2 Minutes of the Meeting of December 2023

RN10/23 That Council **approve** the minutes of the 2nd December 2023.

(Cr Hulse/Cr Rahman)

CARRIED

5.3 Actions Register

5.4 Evote Ratification

RN11/23 That Council ratify the evote that Council **approve** Anita Killeen and Mel Hewitson to be re-appointed as Independent directors to the DNCL for a further 1 year from 1 February 2023 to 1 February 2024.

(All Council)

CARRIED

5.5 Operational Reports

5.5.1 Group Financial Report

5.5.2 Membership Update

5.5.3 DNCL Quarterly Report

(Block Consent 5.4 to 5.5) - (Cr Pearce/Cr Hulse)

CARRIED

AP03/23 All reporting (specifically charts) should be accessible for colour-blindness. Staff to change reporting so that it's readable.

Section 6 - Other Matters

6.1 CONTINGENCY

6.2 Matters for communication – key messages.

6.2.1 Communications in general

6.2.2 Upcoming events

6.3 General business

6.3.1 Public Submissions

6.4 Meeting review

Next meeting: The next scheduled Council meeting is Friday 31st March 2023. The meeting closed with the waiata He Honore .