

RBNZ Board Charter

March 2026



Reserve Bank
of New Zealand
Te Pūtea Matua



Versions

1 July 2022	Originally adopted by the Board
8 December 2022	People, Culture and Change Committee and Financial Stability Oversight Committee Terms of Reference added (appendices 2 and 3)
20 April 2023	MPC Appointment Committee Terms of Reference added (appendix 4)
7 December 2023	Biennial Review
29 August 2024	Revisions to Board Committee Terms of Reference
12 June 2025	Revisions to Audit Committee Terms of Reference
24 July 2025	Payments and Settlements Oversight Committee Terms of Reference added (appendix 4)
1 January 2026	Removing the Financial Stability Oversight Committee's Terms of Reference and adding the Terms of Reference for the newly established Financial Policy Committee (appendix 3)
25 February 2026	Biennial Review
26 March 2026	Renaming the Audit Committee to the Audit and Risk Committee and revising its Terms of Reference

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Introduction

The Reserve Bank of New Zealand Te Pūtea Matua is New Zealand’s central bank. It is a body corporate legally separate from the New Zealand Government. It is constituted by its own Act of Parliament, which also outlines its purposes, functions, powers, and duties.

The RBNZ is governed by the Board and is monitored on behalf of the Minister of Finance by the Treasury.

Purpose of the Board Charter

This Board Charter sets out the responsibilities and procedures of the Board in accordance with the Reserve Bank of New Zealand Act 2021, and a range of additional procedures of the Board not covered by the Act.¹

The Board’s powers, structure and responsibilities are set out in sections 24-79. Various procedures of the Board are set out in Schedule 2.

The Charter includes the Terms of Reference for the Board’s Committees – Audit and Risk, Financial Policy, People, Places and Culture

, Payment and Settlements Oversight, MPC and FPC Appointments. It is supported by Board polices which contain additional detail.

The Charter should be read in conjunction with the Act and supporting polices. If there is a conflict between provisions in the Charter and the Act, the provisions in the Act will prevail.

This Charter will be reviewed every two years.

Terms used in this Charter

Term:	Refers to:
Act	Reserve Bank of New Zealand Act 2021
RBNZ	Reserve Bank of New Zealand, Te Pūtea Matua
Board	The RBNZ Board
Charter	The RBNZ Board Charter
ELT	The RBNZ Executive Leadership Team
FPC	The Financial Policy Committee
RBNZ Legislation	Reserve Bank of New Zealand Act 2021 Deposit Takers Act 2023 Banking (Prudential Supervision) Act 1989 Insurance (Prudential Supervision) Act 2010 Non-bank Deposit Takers Act 2013 Financial Markets Infrastructures Act 2021 Anti-Money Laundering and Countering Financing of Terrorism Act 2009.
Minister	The Minister of Finance

¹ All legislative references in this document are to the Reserve Bank of New Zealand Act 2021, unless otherwise specified.

Term:	Refers to:
MPC	Monetary Policy Committee
PPC	The People, Places and Culture Committee
PSOC	The Payments and Settlements Oversight Committee
SOI	Statement of Intent
SPE	Statement of Performance Expectations
Treasury	The Treasury, Te Tai Ōhanga

Role of the Board

All decisions relating to the operation of the RBNZ must be made by, or under the authority of, the Board in accordance with the Act, except:

- the functions or powers of the MPC
- any statutory responsibilities given to the Minister, including in relation to the appointment or removal of the Governor.

The RBNZ Decision-making policy sets out the requirements for delegation and sub-delegation of RBNZ's and the Board's statutory powers, functions, and enterprise authorities.

[Ref: section 24]

Role of the Minister

The Minister's role is to oversee and manage the Crown's interest in and relationship with the RBNZ and to exercise any statutory responsibilities given to the Minister in relation to the RBNZ.

[Ref: section 22]

Role of Treasury

The Treasury's role as monitor is to assist the Minister to carry out the Minister's various roles in relation to the RBNZ under the Act, along with administering legislation and tendering advice to Ministers.

[Ref: section 80]

Part 1: Board membership, administration, and procedures

1.1 Board membership

The Board consists of not fewer than five, and not more than nine, members. Board members are appointed by the Governor-General on the recommendation of the Minister.

Members may be appointed for up to five years at a time. Members are eligible to be reappointed for two further terms with time served limited to a maximum of 10 years in total.

The Board has collective and individual duties, and members are accountable to the Minister for performing their duties as members.

The Board will maintain a skills matrix to ensure that it captures the necessary skills and competencies of the members and to consider beneficial skills to appoint in the future.

[Ref: sections 25-27, 33].

1.2 Induction for new Board members

New Board members will receive a formal induction to the RBNZ and the Board, which will include:

- a briefing on key strategic issues, operations, policy, stakeholders, and properties
- protocols and culture for the conduct of Board meetings, expectations relating to preparation and contribution
- the framework for delegations and the role of committees, including examples relating to the workflow and decisions associated with major issues for the RBNZ in the past
- the Board's governance of the strategic areas of the RBNZ
- the matters in this Charter including the Terms of Reference of Board Committees, and the Board's Code of Conduct
- meetings with key executives and other Board members
- pairing with an existing Board member to act as a mentor for their first six months.

The induction will be the responsibility of the Chair, with the support of the Board Secretariat.

1.3 Board member development

As part of its annual performance evaluation, the Board will consider its collective and individual training and development needs. This should assist the Board to meet its obligations and for Board members to remain appropriately skilled for their roles. Appropriate training and development opportunities may be identified and delivered in-house (i.e. Board workshops) or through externally delivered training sessions or conferences.

A register of Board Member training and development will be kept by the Board Secretariat.

1.4 Ceasing membership

Board membership ceases when a member completes their tenure, resigns, is removed, or is no longer qualified to be a member under [section 31](#).

Members may resign from the Board at any time. Resignation must be in writing to the Minister with a copy to the Board Chair.

Members may be removed at any time for just cause by the Governor-General, on advice of the Minister given after consultation with the Attorney-General.

Just cause includes misconduct, inability to perform the functions of office, neglect of duty, breach of any of the collective duties of the Board or the individual duties of members and preventing the MPC from discharging its responsibilities.

Departing members will be invited to attend an exit interview with the Chair or Deputy Chair who will provide written feedback to the Board.

Members are not entitled to compensation or other payment or benefit relating to their membership cessation.

[Ref: sections 37-42]

1.5 Treatment of Board vacancies

Board membership vacancies do not affect the powers and functions of RBNZ (subject to the appointment of five members) .

For a Board Chair vacancy, duties may be fulfilled by the Deputy Chair, or a temporary Deputy Chair appointed by the Board if the Deputy Chair role is vacant.

For a Governor vacancy, member duties are fulfilled by a person temporarily appointed as Governor by the Minister on recommendation from the Board.

Board appointments are administered by the Treasury Appointments Unit, with the assistance of the Board Secretariat.

[Ref: section 78 and Schedule 2 clause 5]

2. Board member roles

2.1 Board Chair

The Board Chair is appointed by the Governor-General, on the recommendation of the Minister (Schedule 2, clause 1).

The Board Chair's responsibilities include:

- providing leadership to the Board and RBNZ
- leading the selection process for chairs and members of Board committees, based on members' skills, expertise, and areas of interest
- ensuring the efficient organisation and conduct of the Board
- ensuring that the Board undertakes regular self-assessments of its meetings, and formal monitoring of Board performance
- facilitating Board discussions to ensure strategic issues facing RBNZ are addressed
- facilitating consensus decision-making and collective responsibility, and ensuring decisions made by the Board are in the best interests of RBNZ
- briefing all members in relation to issues arising at Board meetings
- facilitating the effective contribution and ongoing development of all members
- fostering a Board culture that is respectful and inclusive, where there is robust testing of ideas and respectful engagement
- maintaining a good working relationship with the Governor
- promoting an open relationship between the non-executive members' and the Governor
- taking the primary role in the Board's relationship with Treasury and the Minister.

2.2 Deputy Chair

The Deputy Chair is appointed by the Governor-General, on the recommendation of the Minister.

The Deputy Board Chair's responsibilities include:

- deputising for the Board Chair as required
- seeking feedback from Board members and ELT on the performance of the Board Chair
- being available to discuss concerns about the conduct of Board meetings or the actions of the Board Chair should any member have such concerns
- being available to support the Board Chair as requested in any public engagements on behalf of the Board.

The Deputy Chair has and may exercise all the functions and powers of the Board Chair in relation to a matter if the Board Chair is unavailable, or the Board Chair is interested in the matter.

The Board may, by resolution, appoint a temporary Deputy Chair (other than the Governor), who may exercise all the functions and powers of the Board Chair if one of the following applies:

- there is no Deputy Chair
- the Deputy Chair is unavailable
- the Deputy Chair is interested in the matter.

[Ref: [Schedule 2, clauses 1-5](#)]

2.3 Governor / Chief Executive

The Governor is the Chief Executive of the RBNZ, a member of the Board and Chair of the MPC (section 82). The Governor's role includes:

- performing and exercising functions and powers delegated by the Board
[ref: [sections 74 to 77 for the Board's powers of delegation](#)]
- performing and exercising functions and powers as the Chair and member of the MPC (ref: Schedule 3 [clause 35](#) for the Governor's duties as MPC Chair).
- The Governor may act as a member of the Board except when:
 - nominating a person for appointment as the Governor
 - recommending or giving advice about the removal of the Governor
 - agreeing the terms and conditions of the Governor
 - reviewing the performance of the MPC and its members
 - reviewing the performance of the Governor.

On these matters, the Governor:

- must not vote or take part in any discussion or decision of the Board or any committee relating to the matter

- must not sign on behalf of the Board any document relating to the entry into a transaction or the initiation of the matter
- is to be disregarded when forming a quorum for that part of a Board or committee meeting during which a discussion or decision relating to the matter occurs or is made.

[Ref: section 73]

As Chief Executive of RBNZ, the Governor is responsible for:

- leading and organising the RBNZ's day to day business, operations, and staff
- developing strategies for review and decision by the Board, and implementing the Board's decisions
- accepting delegations of authority from the Board
- keeping the Board informed and attending Board meetings as an executive member
- maintaining a good working relationship with the Minister, the Secretary for the Treasury and the Board Chair
- ensuring that RBNZ staff are available to support the Board and its committees in giving effect to the governance provisions contained in the Act and Board policies.

2.4 Board Secretariat

The Board Secretariat is staffed by RBNZ employees who support and provide advice across the full range of the Board's functions, including:

- contributing to the good governance of the Board through management of the Board's meeting and work programme, including that of its Committees
- ensuring that the Board and Committee Chairs are kept fully informed about work in progress and have clear sight of items relating to future Board meetings that are being developed within RBNZ
- in conjunction with the Chairs and Governor, ensuring timely completion and distribution of the agenda, and papers for all Board and committee meetings
- designing an annual Board work programme, including the major items warranting attention by the Board
- taking and preparing draft minutes for review by the Board Chair and Committee Chairs
- assisting with the management and compliance of Board delegations and Board policies and procedures
- assisting with Board member enquiries regarding the Charter
- ensuring all documentation relating to the Board and Board Committees is centrally held and archived appropriately
- managing the Board budget, in collaboration with RBNZ Finance, and in consultation with the Board Chair, ensuring the members' fees and expenses are paid in line with the Reimbursement policy

- acting as a dedicated point of contact for all Board and Committee meetings, functions, and non-Governor to Board communications
- supporting RBNZ in delivering fit-for-purpose information to the Board and Board committees to support timely decision making
- support the cascade of information from the Board to the relevant parts of RBNZ
- supporting performance reviews of the Board and its Committees.

3. Board committees

3.1 Standing and ad hoc committees

The Board will create committees to assist it in carrying out its duties, and may delegate some of its responsibilities, powers, and authority to those committees. Under the Act, committees may be appointed to advise the Board; or, if they include a Board member, may be appointed to carry out delegated functions or powers (Schedule 2, clause 14).

Persons appointed to Committees may be anyone the Board thinks fit and are not restricted to Board members and employees. The Board will approve all appointments to Committees, and a term of appointment for each member, in a selection process led by the Chair.

The Board has four standing Committees:

- The **Audit and Risk Committee** assists the Board with governance and oversight of all matters relating to enterprise risk, audits, financial and performance reporting, financial riskmanagement, taxation, and internal controls; see [Appendix 1](#) for the Committee's Terms of Reference.
- The **People, Places and Culture Committee** assists the Board with ensuring people and property strategies, policies and practices are appropriate and support the employee value proposition while ensuring accountability for performance and safe, compliant and resilient infrastructure; see [Appendix 2](#) for the Committee's Terms of Reference.
- The **Financial Policy Committee** sets policy and also monitors, guides and evaluates that policy in respect of RBNZ's work to achieve its financial stability objective and the objectives under the prudential legislation; see [Appendix 3](#) for the Committee's Terms of Reference.
- The **Payments and Settlements Oversight Committee** assists the Board in fulfilling its duty to ensure that the RBNZ acts in a manner consistent with the function to provide settlement accounts for persons approved by the RBNZ and operating payments and settlement systems and fulfilling its governance regulatory compliance responsibilities relating to the operation of ESAS and NZClear systems; see [Appendix 4](#) for the Committee's Terms of Reference.

An **MPC Appointment Committee** may be activated as needed to assist the Board in making recommendations to the Minister for the appointment of members of the MPC; see [Appendix 5](#) for the Committee's Terms of Reference.

An **FPC Appointment Committee** may be activated as needed to assist the Board in filling external member vacancies that arise on the FPC; see [Appendix 6](#) for the Committee's Terms of Reference.

The Board may establish other standing and ad-hoc Board Committees and delegate decision-making authority to those committees.

The Board is responsible for agreeing the Board Committees' Terms of Reference. Board Committees will follow the same procedures as the Board unless their Terms of Reference specify otherwise.

3.2 Interested parties on Board committees

A Committee member who is interested in a matter must not participate in any activity that relates to the matter. This includes:

- not voting or taking part in any discussion or decision relating to the matter
- not signing any document relating to the entry into a transaction or the initiation of the matter
- being disregarded for the purpose of forming a quorum for the part of the meeting dealing with that matter.

For more detail on when an interested committee member might be permitted to act and on identifying and managing conflicts of interest, see the Board Conflicts of Interest policy.

3.3 Committee members who are not Board members

If there are Committee members who are not also Board members, they have the same responsibilities as Board members for declaring conflicts of interest in Committee matters, and not disclosing information (Schedule 2, clause 15).

They should consult their engagement agreements for other conditions and entitlements.

4. Board procedures

4.1 Meetings

The Board will hold Board meetings at least nine times per year, and a strategy day. However, it may be necessary to meet more often for the Board to fulfil its responsibilities.

The Board Chair or any two Board members may request a special meeting at any time, if necessary (Schedule 2, clause 7).

Meeting dates for the Board are agreed upon periodically for the following 18 months. The Board Chair has the discretion to change the dates after consultation with the members.

4.2 Quorum

The quorum for a Board meeting is half the number of members if the Board has an even number of Board members, or a majority of the members if the Board has an odd number of members (Schedule 2, clause 9).

4.3 Agendas and papers

Unless determined otherwise with the Board Chair, Board, and Board committee papers are distributed to members and attendees five business days before, but no less than three business days before the scheduled meeting. Committee agendas and papers will be made available to all

Board members. Committee Chairs may inform non-Committee members of significant matters for decision prior to Committee meetings.

The papers are confidential and should not be shown or copied to any third party without the prior written approval of the Board Chair, or the committee chair in relation to committee papers.

Papers are subject to RBNZ's information security classification categories and distributed electronically via Diligent. Printed copies are not provided. See the Records Management Guidance for Te Pūtea Matua Board Members and Diligent Users.

Board agendas will include board-only sessions at the beginning of each meeting to discuss the content and conduct of the meeting. A review of the meeting at the end of the agenda will provide timely feedback to the Governor and ELT.

Decision papers recommended from Committees will be condensed with items linked to the full Committee paper in Diligent. These items will be allocated time for discussion as appropriate considering the significance of each decision.

A consent agenda, including all information papers and reports not requiring comprehensive discussion, will be presented for noting and approval towards the end of each meeting. All members will have the opportunity to contribute to discussion on consent agenda items prior to them being approved as a single resolution.

4.4 Board consensus decision making

Decisions of the Board or Committees are made by consensus wherever possible. This is to ensure that the Board and its Committees engage in in-depth discussions and true exchanges of perspectives before decisions are made. A consensus decision is one that all members can support.

Where the Chair is of the opinion that consensus cannot be reached, the decision will be by majority vote of the members present and voting. In the case of an equality of votes, the relevant chair has a second casting vote.

The Board or Committee will accept the decision as binding, whether it is made by consensus or voting.

[Ref: Schedule 2, clause 12]

4.5 Out-of-cycle decision making

The Board may make decisions outside of Board meetings by written resolutions (out-of-cycle decisions). Out-of-cycle decisions are made when a majority of non-interested Board members approve or provide similar clear consent that they agree with the decision, including by electronic means. An out-of-cycle decision may (but is not required to be) ratified at a subsequent Board meeting. Minutes of all out-of-cycle decisions since the previous meeting are included on the subsequent meeting agenda for approval.

[Ref: Schedule 2, clause 13]

4.6 Minutes

The Board Secretariat prepares the minutes of Board and Committee meetings. The Board Secretariat will record decisions, action points and key feedback on matters discussed. Decisions

made during Board-only time will be recorded by the Chair and reflected in the minutes if the Board Secretary is not present.

Draft minutes are forwarded as soon as practicable after a meeting by the Board Secretariat to the relevant Chair for review.

Minutes are confirmed at the following Board or Committee meeting.

Minutes of the Board meetings are reviewed quarterly and information that is not appropriate to release is redacted prior to being proactively released on the RBNZ website.

4.7 Management of absences

Board members must tender apologies for meetings in writing to the Chair and Board Secretariat as soon as possible in advance of the meeting.

Board and Committee meeting attendance is recorded and included in the Annual Report.

Where a member does not attend a significant number of meetings, the Board Chair will raise the issue with the member and, if necessary, with the Minister. See also the Board Code of Conduct.

5. Board administration

5.1 Remuneration

Board members are entitled to receive remuneration from the funds of RBNZ at a rate and of a kind determined by the Remuneration Authority in accordance with the Remuneration Authority Act 1977 (section 43).

Remuneration is confirmed annually following a review led by the PPC Chair. Board members will receive written confirmation on or shortly after 1 July each year.

Members will seek their own independent tax advice when structuring their affairs, particularly in relation to Board fees.

5.2 Expenses

Board members are entitled to be reimbursed for actual and reasonable travelling and expenses incurred in carrying out their office as members (section 44). See the Reimbursement policy.

The table sets out the treatment for different expense types.

Expense type	Treatment
RBNZ/Board Meeting and Event Expenses	For RBNZ/Board meetings and events, the Governor's Office, or Board Secretariat will arrange the Board member's travel and accommodation (via a contracted travel and accommodation provider), and these costs are charged directly to RBNZ. See the Business travel policy for information on claiming for meals, ground transfer or parking expenses.
Ad-hoc Board Expenses	Ad-hoc expenses incurred by members must be reasonable and notified to the Governor's Office (or to the Audit and Risk Chair for the Board Chair's expenses).

Expense type	Treatment
Stakeholder entertainment	Expenditure on stakeholder entertainment needs to be planned and transparent, and pre-approved by the Board Chair (or Audit and Risk Chair in relation to the Board Chair). See also the Gifts and hospitality policy.
Overseas travel	Any overseas travel of a member must be for RBNZ related business. The overseas travel will be planned with proposed expenditure pre-approved by the Board Chair before the trip. The Audit and Risk Chair will pre-approve the Board Chair's travel.
Partner expenses	Where partners of members are invited to attend RBNZ's events, whether travel and associated expenses are met by RBNZ or by the member personally will be decided on a case-by-case basis. Generally, the member will pay the cost of their partner's expenses.

5.3 Remuneration disclosures

Board member remuneration and details of indemnities and insurance cover are disclosed in the Annual Report.

5.4 Insurance

The Act provides Board members with a broad statutory immunity against any liability of a member arising from actions taken in connection with their role as member and in good faith (section 182).

Taking into account this statutory immunity, the RBNZ may provide insurance for the benefit of Board members where it is both cost effective, and the risks are insurable.

The RBNZ may also arrange indemnities against certain court costs on a case-by-case basis.

5.4 Travel booking

Board member travel must be requested by email and directed to the Governor's Office. For scheduled meetings a minimum three weeks' notice is required. For ad hoc travel arrangements the request should be made as soon as practicably possible.

Last minute itinerary changes are directed to the Governor's Office or managed using the Air New Zealand app on the day of travel.

6. Board performance evaluation

The Board will undertake regular reviews of Board, Committee, and Board member performance either through an internal Chair-led evaluation, an externally facilitated self-evaluation, or a full externally managed and independent Board performance evaluation.

Board performance evaluations will normally occur once each year, while committees are normally evaluated biannually.

Part 2: Board duties, functions, powers, and responsibilities

RBNZ legislation confers or imposes duties, functions and powers, and responsibilities on the Board. Duties may be collective or individual. For individual Board member duties, see the RBNZ Board Code of Conduct.

7. Board duties

7.1 Collective duties

Collectively, the Board has a duty to:

- ensure the RBNZ acts in a manner consistent with its objectives, functions, current SOI, and current SPE (section 45)
- ensure the RBNZ performs its functions efficiently and effectively, in a manner consistent with the spirit of service to the public, and in collaboration with other public entities where practicable (section 46)
- ensure the RBNZ operates in a financially responsible manner, and prudently manages its assets and liabilities (section 47)
- ensure the RBNZ complies with the Act in relation to subsidiaries and other interests (section 48)
- have regard to the financial policy remit when acting in relation to strategic prudential intentions and when issuing prudential standards (section 49).

7.2 Accountability for collective duties

The Board's collective duties are owed to the Minister. Board members may be removed from office for non-compliance.

[Ref: [section 55\(2\)](#)].

7.3 Other duties

The Board has a range of other duties, including:

- regularly reviewing the performance of the MPC and members (section 99)
- ensuring that proper accounting records are kept (section 258).

Appendix 8 gives a full list of the Board's duties.

7.4 Board as signatory to publications

Two Board members must sign the following publications on behalf of Board:

- Foreign reserves management and coordination framework (section 144(1))
- Funding agreements (section 210(1)(a))
- SOI (section 220(3)(a))
- SPE (section 230(3)(a))

- Annual report (section 240(3))
- Statement of responsibility for preparation of financial statements (section 246(d)).

7.5 Strategy Setting

The Board is responsible for setting the organisation's strategic direction, and approving its key strategic documents, the SOI and the SPE. The ELT is responsible for implementing strategy with regular input and direction from the Board.

The Board will regularly consider and decide upon strategic issues and priorities throughout the year, as scheduled in its Board Work Programme. In addition, the Board will meet for a strategy day at least once a year to discuss the organisation's strategic plan – ensuring alignment to SOI & SPE commitments and the overarching purpose and objectives of the Reserve Bank.

7.6 Risk management and assurance

RBNZ management of risk

The Board will be responsible for:

- ensuring that the RBNZ has appropriate processes for risk management and internal controls that identify and manage potential and relevant risks
- reviewing assurance reports on the risk management and internal control processes at least twice a year.

The Board supports the RBNZ in promoting an organisational culture where risk management is integrated into operations and staff can speak up.

The Board expects that the Governor will implement appropriate risk management and controls, particularly in respect of anything delegated to the Governor or sub-delegates.

Risk appetite statements

The Board must review and approve a Risk Appetite Statement for the RBNZ at least annually, setting out the level of risk the Board is prepared to accept in pursuit of the RBNZ's mandate, functions, and operations.

Financial risk management

In addition to the Board's duty to ensure the RBNZ operates in a financially responsible manner, the Board must comply with a direction from the Minister relating to the minimum level of capital and financial risk management.

The Board's approach to complying with these duties and a report on compliance for the previous financial year are set out in the Statement of Financial Risk Management (section 251(2)(a)).

7.7 Review and audit

The Minister may review the operations and performance of the RBNZ at any time (section 194). The Board is responsible for supplying information related to the RBNZ's operations and performance on request from the Minister (section 196).

The Auditor-General appoints the RBNZ's external auditor, who undertakes the annual financial audit and who may conduct performance audits.

The Audit and Risk Committee will assist the Board to discharge its responsibilities relating to the management and reporting of RBNZ's finances and systems of internal controls.

The Board will facilitate full and frank dialogue between the Audit and Risk Committee, the external auditor and RBNZ management.

7.8 Reporting

The Board is responsible for ensuring:

- there is integrity in financial reporting and the timeliness and balance of disclosures on the RBNZ's affairs
- the quality and integrity of the RBNZ's financial reports, including their relevance, reliability, comparability, and timeliness
- the annual report against the SOI and SPE, and the information required by law, include sufficient meaningful information to enable the Minister and the public to be well informed on the RBNZ's affairs (section 240(2)).

The RBNZ's annual review before the Finance and Expenditure Committee will be attended by the Board Chair and Governor, and other Board members, as required.

Reporting to the Minister

As agreed with the Minister, the Board will provide them with

regular reports on operational and policy matters, including as outlined in the Letter of Expectations and on a 'no surprises' basis.

The Board Chair and Governor will meet with the Minister as often as required, and no less often than once every half year.

8. Statutory functions and powers

As the governing body of the RBNZ, the Board has the authority, in the RBNZ's name, to exercise the powers and perform the functions of the RBNZ conferred by RBNZ legislation.

8.1 RBNZ statutory functions summary

The Board is responsible for performing and exercising the functions or powers conferred or imposed on the RBNZ-by-RBNZ legislation (section 24).

The functions conferred by RBNZ legislation include:

- acting as a prudential regulator and supervisor of banks, insurers, and other financial institutions under prudential legislation (section 10(1)(b))
- managing foreign reserves and dealing in foreign exchange (section 116(b))
- monitoring the financial system through collecting, analysing, and publishing statistics and other relevant information on the financial system (section 10(1)(c))

- monitoring the needs of the public for bank notes and coins; and issuing bank notes and coins, monitoring distribution, managing the quality of bank notes and coins, and monitoring the impact of technological innovation (sections 10(1)(d) and 116(c))
- providing liquidity facilities to manage liquidity in the financial system, protect or promote stability of the financial system (section 116(d))
- providing settlement accounts, operating, or otherwise participating in payments and settlement systems (section 116(e) and (f))
- co-operating with other law enforcement or regulatory agencies in New Zealand, overseas central banks and relevant international institutions, Australian financial authorities, and other overseas bodies that perform similar functions to RBNZ, and acting as a member and chair of Council of Financial Regulators (section 10(1)(e) and 10(3))
- providing or facilitating the provision of information to the public about RBNZs objectives and functions or powers under all relevant legislation (section 10(1)(f))
- keeping under review the law, policies, and practices that are relevant to any of its functions (section 10(1)(g))
- performing and exercising the functions or powers conferred or imposed on RBNZ-by-RBNZ legislation or any other legislation (section 10(1)(i)).

The RBNZ may request additional functions that are consistent with its objectives (section 11).

8.2 Delegation of powers and functions

While the Board has the authority to exercise the powers and perform the functions set out in RBNZ legislation, it may also delegate any of these, and in some cases authorise sub-delegation. This includes delegating the day-to-day management of the RBNZ to the Governor, who assigns management authority to RBNZ staff (section 74-77).

The Governor must maintain a register and report to the Board as required on the statutory powers and functions that have been delegated by the Board to the Governor or have been sub-delegated.

The Financial Policy Committee has specific statutory decision-making authority delegated by the Board for financial policy. See Committee Terms of Reference, [appendix 3](#).

For detail on the Board's responsibilities for delegation, sub-delegation, and enterprise authorities, see the [RBNZ Decision-making policy](#). This policy also contains the full schedule of the functions and powers that can be delegated.

8.3 Reliance on information and advice

In fulfilling their responsibilities, Board members may rely on reports, statements, financial data, and other information prepared or supplied, and on professional or expert advice given by:

- the Governor
- RBNZ employees deemed reliable and competent
- professional advisers or experts on their area of expertise

- the MPC for MPC matters
- other Board members or Committees for matters within their designated authority, provided the Board member was not a member of the Committee.

[Ref: section 60].

8.4 Legal advice

The Board, or Board members may seek legal advice from the General Counsel.

All Board papers and other advice with statutory decision-making recommendations are reviewed and signed-off by General Counsel, and internal and external legal opinions will often be an input into the papers. General Counsel is available to provide a full summary (or copies) of the legal considerations and opinions relevant to the matter before the Board.

The Board may ask General Counsel to provide legal advice on a governance matter (e.g. conflict of interest, statutory duties). If such matters involve a specific member or are current matters before the board, it is appropriate the General Counsel discuss the need for external advice with the Board before approaching an external lawyer.

Where the Board considers external advice appropriate, it may:

- Require the General Counsel to obtain external advice
- Work with General Counsel to obtain the advice, e.g. work together on instructions and to identify and brief an external lawyer
- Ask the General Counsel to suggest external legal advisers with relevant expertise
- Instruct an external lawyer itself with no involvement or even knowledge of General Counsel.

Any member is entitled to obtain and will not be inhibited from obtaining independent professional advice relating to the affairs of the Reserve Bank or to their responsibilities as a member. If a member considers such advice is necessary the member shall first raise it with the Chair or Deputy Chair, who will discuss it with the General Counsel or determine that it is a sensitive matter.

The General Counsel can provide support to the following extent:

- Identify appropriate lawyers, essentially a small informal panel (based on relevant skills, standing and conflict of interest assessment) who can be introduced to the Board and later approached (including without General Counsel involvement) for advice
- Procurement aspects, including price and conflict of interest assessment, and payment
- Receive and file copies of written advice (except potentially in the most sensitive scenarios).

In addition, the General Counsel will maintain the utmost discretion and confidentiality when assisting the Board on sensitive matters, which may include not informing management of the Board's request for assistance when the Board considers that best supports its ability to deal with the matter.

9. Other responsibilities

9.1 Responsibility for disclosing interests

Board members must disclose their personal interests in Board matters and identify actual or potential conflict so that the RBNZ can carry out, and be seen to carry out, its functions and to exercise its powers impartially and in the public interest. For further information on disclosing and managing interests, see the Board Conflicts of Interest policy.

9.2 Responsibility for confidentiality

Treatment of confidential information

Board members will have access to certain confidential information on the deliberations of the Board, the RBNZ's business and operations, including monetary and financial stability policies, and entities that the RBNZ regulates. This information will often be market sensitive. Members are responsible for keeping the information confidential.

Confidential information must not be disclosed, made use of, or acted upon.

It may only be used for its intended purpose in the performance of the RBNZ's functions, except:

- as required or permitted by law
- in complying with the requirement to disclose interests.

The member may disclose, make use of, and/or act on the information if they have authorisation from the Board, and it will not or is unlikely to prejudice RBNZ.

[Ref: section 54]

Inside information

Board members must never use inside information for personal gain or gain of any other party.

Secure information handling

Board members will use RBNZ email accounts for RBNZ business, and RBNZ systems and technology including RBNZ's Diligent platform for accessing and reviewing Board papers. Printing of official RBNZ documents must be done from an RBNZ device.

Personal email accounts can be used for administrative communications such as travel booking requests, meeting invitations and notifications that papers have been published on Diligent. Board Secretariat may email personal email accounts to inform Board members of urgent matters that they need to engage with in their RBNZ email account or on Diligent.

Members will comply with the following Board and RBNZ policies:

- Board conflict of interests
- Board information sharing and disclosure (confidentiality)
- Information and data security classification
- Acceptable use of RBNZ-supplied information resources

- Records management
- Physical security
- Proactive release of Board meeting minutes.

9.3 Board communications

The Board Chair is the sole spokesperson for the Board and in relation to documents approved by the Board. The Board Chair will consult the RBNZ's communications team and the Governor as appropriate before making public statements/remarks relating to the Board.

The Governor is responsible for the day-to-day external communications of the RBNZ.

Unless requested by the Governor, Board members will not make public, or non-public statements or remarks including social media posts on behalf of RBNZ or that could be perceived to be on behalf of or related to the business of the RBNZ.

Members will observe the Board Information sharing and disclosure (confidentiality) policy, and the Acceptable use of RBNZ-supplied information resources standard.

9.4 Engagement with stakeholders and regulated entities

Formal settings

The Board will meet with stakeholders and regulated entities at RBNZ organised functions. While it is inevitable that Board members undertaking their normal business will come into contact with executives of regulated entities, discretion and sound judgement must be used if RBNZ business is discussed. Members are asked to note and disclose such interactions.

Board members are not expected to proactively engage or meet with stakeholders of the RBNZ or regulated entities on their own in connection with RBNZ matters. This includes giving speeches that cover matters within the RBNZ's mandate, except where the Board Chair and Governor have approved the speaking engagement in advance.

If engagement or a meeting is requested by an external party in relation to the business of the RBNZ, the member will only agree if all the following circumstances are present:

- the meeting is formally requested by the external party and sent to the member's RBNZ email address
- the Board Chair and Governor are notified in advance of the meeting request and the topic, and agree that the meeting is in the best interests of the RBNZ
- there is no expectation that the member is attending the meeting to explain or defend the RBNZ's position on an issue
- there is no expectation that by accepting the meeting, the member is undertaking to represent or support the position of the external party at the RBNZ
- the meeting will not suggest that there are special lines of communication, access, or treatment in favour of the external party
- the member conveys the matters discussed and the outcome of the meeting with the Board Chair and Governor.

Informal and social settings

Board members who meet chairs or senior officers of regulated entities in informal or social settings are expected to indicate that it is inappropriate to discuss RBNZ business in that context.

Engaging with Treasury

The Board and ELT interact in formal and informal meetings with the Treasury in their capacity to assist the Minister of Finance to carry out their various roles in relation to the RBNZ under the Act.

Engaging with employees

Board members will engage with employees at Board meetings and other occasions arranged for Board members where employees are in the same forums. Otherwise contact with employees is generally through the Governor or, in the case of a Board Committee, through the relevant Assistant Governor responsible for the work of the Committee, as well as through the Board Secretariat. Board members should use discretion when approaching employees outside these forums. In general, Board members should inform the relevant ELT member when engaging with staff.

9.5 Hospitality and gifts

Board members must not accept a gift or hospitality in relation to their role at the RBNZ, if this could be seen as an inducement or a reward that might place the member under an obligation to a third party.

Where offers of gifts or hospitality of above \$50 are made, the member will promptly declare the details to the Board Chair and the Board Secretary.

In consultation with the Board Chair, the member will determine the appropriate response and notify the Board Secretary who will record acceptance or declining of the gift or hospitality in the Board's Gifts and Hospitality Register.

See the RBNZ Gifts and hospitality policy.

Policies supporting the Charter

Board and RBNZ corporate policies listed below provide further detail on Board procedures and responsibilities. They should be read in conjunction with the Charter. A full list of Board approved policies is attached in Appendix 8.

For information about:	See:
Delegating, sub-delegations, and enterprise authorities	RBNZ Decision-making policy
Identifying, declaring, and managing conflicts of interest	Board Conflicts of interest policy
Requirements for handling and disclosing official information, including privacy	Board Information handling, sharing, and disclosure (confidentiality) Records management

Responsibilities for classifying and handling protectively marked material	Information and data security classification policy Information handling requirements - quick reference Information security classifications helper – quick reference
Approval for incurring and reimbursement of expenses	Business travel policy
Planning and approving travel for RBNZ Board business	Business travel policy
Accepting and recording gifts and hospitality	Gifts and hospitality policy
Using RBNZ information resources including connecting your own devices to RBNZ networks	Acceptable use of RBNZ-supplied information resources standard
Requirements for entering and moving around RBNZ buildings	Physical security policy
Requirements for disclosing meeting minutes publicly	Proactive release of Board meeting minutes

Appendix 1: Audit and Risk Committee Terms of Reference

<p>Purpose of the Committee</p>	<p>Assist the Board with governance and oversight of matters relating to enterprise risk, audits, financial and performance reporting, financial risk management, taxation, compliance, and internal controls.</p>
<p>Mandate:</p> <p>Decision making authority</p>	<p>The Board has delegated authority to the Committee to do the following, or make the following decisions:</p> <ul style="list-style-type: none"> • Obtain any information it needs from RBNZ and/or external parties (subject to their legal obligation to protect information). • Discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations). • Commission internal audit, external auditors or any appropriate person to undertake an investigation or review any RBNZ activities or use of resources. • As requested, meet separately with the external auditor to discuss privately any matters that the Committee or external auditor considers appropriate. • As requested, meet separately with the Senior Manager Audit Services to discuss privately any matters that the Committee or the Senior Manager Audit Services considers appropriate. • As requested, meet separately with the Chief Risk Officer to discuss privately any matters that the Committee or the Chief Risk Officer considers appropriate. • Recommend to the Board that it agree to the fee proposal for the annual external audit (acknowledging that the appointment of the external auditor is made by the Auditor-General). • Review the effectiveness of the external audit process and the performance of the external auditors. • Escalate any material risks and matters under their purview to the Board. • Recommend to the Board that it approve the annual financial statements and statement of performance. • Recommend to the Board that it approve the annual Internal Audit Plan and associated resourcing and budgets. • Recommend to the Board the appointment and removal of the Senior Manager Audit Services. • Recommend to the Board to approve the Audit Services Charter.
<p>Mandate:</p> <p>Scope of advice</p>	<p>In accordance with RBNZ’s delegated authorities’ framework, the Committee provides oversight, advice and recommendations to the Board on the following:</p> <p>Enterprise Risk Management (Non-Financial Risk)</p> <ul style="list-style-type: none"> • The design and effectiveness of the enterprise risk management framework. • Review of enterprise risk management policies and control systems. • Management of significant current and emerging non-financial risks.

- Alignment of risk profile with RBNZ objectives and risk appetite.
- Effectiveness of risk mitigation actions including operational resilience and business continuity.
- Appropriateness and adequacy of risk reporting.
- Risk management culture.

Balance Sheet and Financial Risk Management

- Preparation of RBNZ's Statement of Financial Risk Management and Foreign Reserves Management and Co-ordination Framework.
- Management of RBNZ's balance sheet in accordance with the Foreign Reserves Management and Co-ordination Framework, and RBNZ policies.
- Management of key financial risks as outlined in RBNZ's Statement of Financial Risk Management.
- Risk appetite and tolerances relating to RBNZ's financial markets operations.

Financial and performance reporting

- Annual financial statements and statement of performance of RBNZ, and whether they comply with reporting standards and fairly reflect the financial position and operations of RBNZ for the year.
- Significant accounting judgements and disclosures, including compliance with accounting standards and other regulatory developments, assessing, and understanding their impact on RBNZ's financial reporting.
- Whether RBNZ financial statements are supported by appropriate management sign-off on the financial statements and the adequacy of the systems of internal control for providing reasonable assurance as to the integrity and reliability of financial reporting.
- RBNZ's financial statements, key accounting policies and decisions, appropriateness of disclosures, key audit matters, the results of the audit, any unadjusted disclosures, and disagreements with the external auditors.
- Financial statements, notes, and summarised information on RBNZ's financial performance and financial position in the Annual Report.
- RBNZ's financial resources, Target capital level, and annual dividend recommendation to the Crown.
- Adequacy of controls over the publication of RBNZ's financial report.
- Adequacy and appropriateness of RBNZ's climate disclosures.
- RBNZ's performance framework and the preparation of the Statement of Performance Expectations, including the appropriateness of performance measures.

Compliance

- Compliance with legislative obligations and good practice for taxation matters.

- Compliance monitoring and assurance activities, including the annual compliance attestation survey.
- Measures taken in response to instances of non-compliance with legislative obligations and material failures to comply with RBNZ policies.
- Review any significant matters of fraud and misconduct including but not limited to financial crime, conflicts of interest, code of conduct, whistleblowing or privacy breaches on an individual as well as on an aggregated level.
- The maintenance and review of Board approved policies.

External audit

- Audit quality including the scope proposed by the external auditor, Partner rotation, any restrictions on audit scope or access to information, any problems encountered by the auditor and their co-ordination of audit effort with internal audit.
- Auditor independence, capabilities, and fees, including any potential conflicts of interests.
- Significant issues raised in the external audit management letter and the external auditor's report to the Auditor-General on accounting and control issues together with management's response to those issues.
- Approval for the provision of non-assurance services by the external auditor and, where applicable, the framework for pre-approval of non-assurance services, and the approval for hiring audit firm personnel for senior positions at RBNZ.

Payments and clearing systems – Exchange Settlement Account System (ESAS) and NZClear System

- Internal audit functions for the ESAS and NZClear Systems.
- Audit coverage and approach proposed by the external auditor.
- External audit reports for the NZClear System and ESAS.
- Significant issues raised in external audit reports and management letters, and management's response to those issues.
- Whether issues in past management letters have been dealt with to the satisfaction of the external auditor.

Internal audit

- Appropriateness of the risk-based annual internal audit plan and the adequacy of resources and the standing of Internal Audit to carry out the internal audit plan.
- Reports from internal audit summarising progress against the annual internal audit plan, material internal audit issues, and progress in resolving internal audit issues.
- The Audit Services Charter and the organisational structures, authority, access, and reporting arrangements for internal audit.

	<ul style="list-style-type: none"> • The independence and objectivity of the Senior Manager Audit Services and monitor (at least annually) conflicts of interest for Audit Services. • The performance of Senior Manager Audit Services and the Audit Services function and provide input to ELT on the remuneration of the Senior Manager Audit Services. • The results of the quality assurance and improvement program and Audit Services' conformance with the Code of Ethics and Global Internal Audit Standards. <p>Other</p> <ul style="list-style-type: none"> • Any matter relating to RBNZ operating in a financially responsible manner, including the funding agreement, budgets, expenditures, and major projects. • Any other matter incidental to the Committee's mandate.
Meeting frequency	A minimum of 4 times a year. Additional meetings may be scheduled at the discretion of the Committee Chair.
Membership and Quorum	<p>The Committee will have a membership of at least three Board members. In addition to the three members, the RBNZ Board Chair will have <i>ex officio</i> membership.</p> <p>The Board will appoint a Committee Chair from among the members.</p> <p>A Committee Membership register, maintained by the Board Secretariat, will record the current membership.</p> <p>Consideration for committee membership should include:</p> <ul style="list-style-type: none"> • financial accounting expertise with CA/CPA equivalent qualifications; and • experience in financial and non-financial management. <p>The quorum for an Audit Committee meeting is two members. The <i>ex officio</i> member may be included for purposes of calculating a quorum.</p>
Management and advisers	<p>The external auditor and the Senior Manager Audit Services, who will have access to the Committee Chair at any time.</p> <p>ELT and other leadership team members (as required) to attend the Committee meetings, except for Committee only time or when the Committee Chair has determined that they should not attend.</p>

Appendix 2: People, Places and Culture Committee Terms of Reference

<p>Purpose of the Committee</p>	<p>The purpose of the Committee is to assist the Board in fulfilling its governance responsibilities relating to RBNZ’s people, places and culture.</p>
<p>Mandate Decision making authority</p>	<p>The Committee has an advisory function, with the authority to provide advice and recommendations to the Board on matters relating to the Committee’s purpose, including in respect of the people and property related authorities reserved to the Board under the RBNZ’s Decision-making policy. The Committee has no statutory decision-making authority unless specifically delegated by the Board.</p> <p>The Committee also has an oversight role in respect of matters within its mandate. The oversight role may include:</p> <ul style="list-style-type: none"> • monitoring and guiding the Governor in the management of the Executive Leadership Team; • providing feedback on and endorsing matters within management’s delegated decision-making authority; • keeping the Board informed of relevant developments.
<p>Mandate: Scope of advice</p>	<p>People</p> <ul style="list-style-type: none"> • the obligation on the RBNZ to be a good employer as required under section 178 of the Act. • the approach to diversity, inclusion and equity (including pay gaps), and the RBNZ’s specific obligations in respect of Māori employees under section 178. • policies and practices to ensure they are appropriate, support the employee value proposition and ensure accountability for performance. • the nominations, succession planning, review and performance of the Board, Monetary Policy Committee, Financial Policy Committee and the Governor. • the appointment, remuneration and employment arrangements of the RBNZ Executive Leadership Team, in line with the RBNZ’s Decision-making policy. • remuneration structures more broadly including annual review of the RBNZ Remuneration policy. <p>Places</p> <ul style="list-style-type: none"> • property strategy and material asset management, including leases and tenants. • ensuring safe, compliant and resilient infrastructure through refurbishments and maintenance in accordance with legislated building health and safety requirements. • oversight of capital projects including those related to secure vaulting. <p>Culture</p> <ul style="list-style-type: none"> • the approach, implementation and impact of change across the organisation.

	<ul style="list-style-type: none"> • overall organisational culture, engagement and wellbeing of RBNZ and its people. • the approach to supporting our commitments under our Te Tiriti Statement, Te Waka Hourua, and other Te Ao Māori initiatives.
Meeting frequency	A minimum of 3 times a year. Additional meetings may be scheduled at the discretion of the Committee Chair.
Membership and Quorum	<p>The Committee will have a membership of at least three Board members. In addition to these members, the RBNZ Board Chair and the Governor will each have <i>ex officio</i> membership.</p> <p>The Board will appoint a Committee Chair from the members.</p> <p>A Committee Membership register, maintained by the Board Secretariat, will record the current membership.</p> <p>The quorum for a Committee meeting is two members. The <i>ex officio</i> members may be included for purposes of calculating a quorum.</p>
Management and advisers	<p>The AG Operations will have access to the Committee Chair at any time and both will be collectively responsible for the effective operation of the committee.</p> <p>ELT, management and advisers as required to attend the Committee meetings, except for Committee only time or when the Committee Chair has determined that they should not attend.</p> <p>The Committee may obtain external advice, either independently or via management, on people, places and culture matters as appropriate.</p>

Appendix 3: Financial Policy Committee Terms of Reference

<p>Purpose of the Committee</p>	<p>To decide financial policy under delegation, and otherwise assist the Board in fulfilling its duty to ensure that the RBNZ acts in a manner consistent with:</p> <ul style="list-style-type: none"> • RBNZ’s financial stability objective of protecting and promoting the stability of New Zealand’s financial system; • RBNZ’s objective of acting in a way that furthers the purposes of the prudential legislation; and • RBNZ’s functions to: <ul style="list-style-type: none"> ◦ act as a prudential regulator and supervisor under prudential legislation; and ◦ monitor the financial system; and ◦ perform and exercise functions or powers under the prudential legislation.
<p>Mandate</p>	<p>Decision making</p> <p>The Committee has specific statutory decision-making authority delegated by the Board for financial policy (i.e. policies under the prudential legislation, including macro-prudential policies and measures).</p> <p>The decision-making authority of the Committee includes:</p> <ul style="list-style-type: none"> • The issuance and review of standards under the prudential legislation. • The macro-prudential policy framework and decisions to implement, remove, or change the calibration of macro-prudential tools (e.g. loan-to-value ratio restrictions, debt serviceability restrictions). • Advice to the Minister of Finance on legislative reform, regulation or other regulatory activity. • The approval of RBNZ’s <i>Financial Stability Reports</i>. <p>The Board approves the policy work programme and may identify policy initiatives that are to be submitted to the Board for decision, on the recommendation of the FPC.</p> <p>At any time, the Board may direct the Committee to refer a matter to the Board for consideration prior to the Committee deciding on a matter.</p> <p>In addition, the Board may set conditions on the exercise by the Committee of its delegated decision-making authority.</p> <p>The Committee also has advisory and oversight functions in respect of matters relating to the Committee’s purpose.</p> <p>Advisory</p> <p>The Committee provides advice and/or recommendations to the Board related to the following:</p> <ul style="list-style-type: none"> • The preparation and approval of RBNZ’s <i>Statement of the Prudential Policy</i>. • The setting of prudential strategic intentions in RBNZ’s <i>Statement of Intent</i>.

- The Financial Policy Remit issued by the Minister.
- RBNZ's overarching strategy in response to the risks, vulnerabilities, and opportunities in relation to financial stability, including risk appetite and tolerances relating to the financial stability objective.

Oversight

The Committee's oversight role includes monitoring, guiding and evaluating RBNZ's ongoing work to achieve its financial stability objective and the objectives under the prudential legislation, including:

- The assessment of risks, vulnerabilities, and opportunities in relation to financial stability and the resilience of the financial system.
- RBNZ's financial policy work programme and policy project initiation.
- Assessments of the regulatory impacts of significant policies to be adopted under the prudential legislation, and reports of those assessments.
- The administration of the prudential legislation and register of secondary legislation.
- RBNZ's approach to regulatory and legislative stewardship and best practice policymaking.
- Assessments of the effectiveness of financial policy.

In carrying out its mandate in relation to prudential strategic intentions and prudential standards, the Committee ensures that appropriate consideration is given to the Financial Policy Remit.

In line with the RBNZ's decision-making policy and delegation frameworks the Committee's advisory and oversight functions are exercised in respect of matters of a material or significant nature.

Meeting frequency

A minimum of 5 times a year. Additional meetings may be scheduled at the discretion of the Committee Chair.

Membership and Quorum

The Committee will have a membership of at least three Board members. In addition to these members, the RBNZ Board Chair is an *ex officio* member and the Governor is a permanent member.

The Board will appoint a minimum of one and not more than two persons who are neither Board members nor employees of the RBNZ as members of the Committee.

The Board will appoint a Committee Chair from among the non-executive RBNZ Board members.

A Committee Membership register, maintained by the Board Secretariat, will record the current membership.

The quorum for a Committee meeting is four members. The *ex officio* member may be included for purposes of calculating a quorum.

Management and advisers

The Assistant Governor Financial Stability will have access to the Committee Chair at any time and both will be collectively responsible for the effective operation of the Committee.

ELT and other leadership team members (as required) to attend the Committee meetings, except for Committee-only time or when the Committee Chair has determined that they should not attend.

The Committee may obtain external advice, either independently or via management, on matters within its mandate as appropriate.

Appendix 4: Payments and Settlements Oversight Committee

Terms of Reference

<p>Purpose of the Committee</p>	<p>Assist the Board in fulfilling its duty to ensure that the RBNZ acts in a manner consistent with:</p> <ul style="list-style-type: none"> • RBNZ’s central bank objective of acting as New Zealand’s central bank in a way that furthers the purpose of promoting the prosperity and well-being of New Zealanders and contributing to a sustainable and productive economy; • RBNZ’s function to act as the central bank for New Zealand by: <ul style="list-style-type: none"> ◦ providing settlement accounts for persons approved by the RBNZ; and ◦ operating payments and settlement systems. <p>Otherwise assisting the Board in fulfilling its governance and regulatory compliance responsibilities relating to the operation of the ESAS and NZClear systems under the RBNZ Act, the FMI Act, and applicable standards for financial market infrastructures.</p>
<p>Mandate: Decision Making Authority</p>	<p>The Committee has an advisory function, with the authority to provide advice and recommendations to the Board on matters relating to the Committee’s purpose and covered under the Scope of Advice. The Committee has no statutory decision-making authority unless specifically delegated by the Board.</p> <p>The Committee also has an oversight function in respect of matters within its mandate. The oversight role includes:</p> <ul style="list-style-type: none"> • Monitoring and guiding RBNZ’s ongoing work to achieve its central bank objective in relation to the operation of the ESAS and NZClear systems, including risk management and compliance systems; • Assessing ESAS and NZ Clear compliance with the FMI Standard on Governance, and to lead Board engagement with the FMI and NZ Clear regulators; • Receiving and analysing reports on ESAS and NZ Clear performance and resilience, including cyber security, testing and plans for business continuity; • Assessing and making recommendations to the Board on internal audit plans, external audit plans, other investigations or reviews relating to the ESAS and NZClear systems, including their use of resources, and the Board’s response to any issues raised; • To provide recommendations to the Board on policy issues in the operation of ESAS and NZ Clear including access criteria; and • To consider the potential value in a New Zealand context and potential impact of the introduction of alternative payment technologies. <p>In line with the RBNZ’s Decision-making policy and delegation frameworks the Committee’s advisory and oversight functions are exercised in respect of matters of a material or significant nature.</p>
<p>Mandate: Scope of Advice</p>	<p>The Committee has oversight over and/or provides advice and recommendations to the Board related to the following:</p> <ul style="list-style-type: none"> • The objectives and strategy of the ESAS and NZClear systems; • Material policies relating RBNZ’s role as operator of the ESAS and NZClear systems, including access and participation requirements;

	<ul style="list-style-type: none"> • The risk profile and risk management framework for the ESAS and NZClear systems; • The appropriateness of the design, rules, overall strategy and major decisions relating to the ESAS and NZClear systems, taking into account the interests of participants and other relevant stakeholders; • Disclosures to relevant stakeholders, including the public where appropriate; • The separation of RBNZ’s functions as operator of the ESAS and NZClear systems and regulator of financial market infrastructures and management of conflicts of interest between these separate functions; • Significant issues raised in external audit reports and management letters relating to the ESAS and NZClear systems, and management’s responses to those issues; • Compliance of the ESAS and NZClear systems with standards under the Financial Market Infrastructures Act and other supervisory requirements and measures taken in response to any instances of material non-compliance; and • Any other matter incidental to the Committee’s mandate.
Meeting frequency	A minimum of 4 times a year. Additional meetings may be scheduled at the discretion of the Committee Chair.
Membership and Quorum	<p>The Committee will have a membership of at least three Board members. In addition to these members, the RBNZ Board Chair will have <i>ex officio</i> membership.</p> <p>The Board will appoint a Committee Chair from among the members.</p> <p>A Committee Membership register, maintained by the Board Secretariat, will record the current membership.</p> <p>The quorum for a Committee meeting is two members. The <i>ex officio</i> members may be included for purposes of calculating a quorum.</p>
Management and advisers	<p>Assistant Governor Money will have access to the Committee Chair at any reasonable time and both will be collectively responsible for the effective operation of the Committee.</p> <p>ELT and other leadership team members and advisers (as required) to attend the Committee meetings, except for Committee-only time or when the Committee Chair has determined that they should not attend. An exception is the ELT member responsible for the Financial Stability Group who will be excluded from the Committee’s work to preserve the separation between the ESAS / NZClear regulator and operator functions.</p> <p>The Committee may obtain external advice, either independently or via management, on matters within its mandate as appropriate.</p>

Appendix 5: MPC Appointment Committee Terms of Reference

<p>Purpose of the Committee</p>	<p>The purpose of the Committee is to assist the Board in filling vacancies that arise on the Monetary Policy Committee.</p> <ul style="list-style-type: none"> • Ensuring that Board approved appointment processes and timetables are adhered to where possible • Overseeing advertising and publicity of vacancies • Shortlisting and interviewing candidates • making recommendations to the Board on candidates to nominate to the Minister of Finance for approval.
<p>Mandate</p>	<p>The Committee is responsible for overseeing MPC Appointment Processes.</p> <p>The Committee is intended to consider relevant matters and make recommendations to the Board. It will have no decision-making authority unless specifically delegated or authorised by the Board.</p>
<p>Meeting frequency</p>	<p>As required during MPC appointment processes.</p>
<p>Composition, skills matrix of the Committee</p>	<p>The Committee will have a membership of five members comprising:</p> <ul style="list-style-type: none"> • two RBNZ Board members • the MPC Chair/Governor • the Board Chair • an external member.
<p>Quorum</p>	<p>The quorum will be three members.</p>
<p>Term</p>	<p>The Committee will be dis-established following the appointment of the one MPC vacancy.</p>
<p>Management and advisers</p>	<p>Assistant Governor Enterprise Services will be responsible for the effective operation of the committee.</p> <p>The Board Secretariat will support the Committee.</p>

Appendix 6: FPC Appointments Committee Terms of Reference

<p>Purpose of the Committee</p>	<p>The purpose of the Committee is to assist the Board in filling external member vacancies that arise on the Financial Policy Committee (FPC).</p> <ul style="list-style-type: none"> • Ensuring that any Board approved appointment processes and timetables are adhered to where possible. • Overseeing advertising and publicity of vacancies. • Shortlisting and interviewing candidates. • Making recommendations to the Board on candidates to appoint as external members of the FPC.
<p>Mandate</p>	<p>The Committee is responsible for overseeing the search and appointment process for external members of the FPC.</p> <p>The Committee is intended to consider relevant matters and make recommendations to the Board. It will have no decision-making authority unless specifically delegated or authorised by the Board.</p>
<p>Meeting frequency</p>	<p>As required during external FPC member search and appointment processes.</p>
<p>Membership</p>	<p>The Committee will have a membership of five members comprising:</p> <ul style="list-style-type: none"> • the Board Chair (and Chair of the Committee) • the Governor • two additional RBNZ Board members • an external member.
<p>Quorum</p>	<p>The quorum will be three members.</p>
<p>Term</p>	<p>The Committee will be dis-established following the conclusion of the search and appointment process that it was established to oversee.</p>
<p>Management and advisers</p>	<p>Assistant Governor Enterprise Services will be responsible for the effective operation of the Committee.</p> <p>The Board Secretariat will support the Committee.</p>

Appendix 7: Duties conferred on the Board²

Section	Nature of duty
32(2)	Board must notify Minister of failure to comply with disclosure to Minister requirements in s 32(1)(c) as soon as practicable after becoming aware of failure.
45	Board must ensure Bank acts consistently with objectives, functions, statements of intent and statement of performance expectations.
46	Board must ensure Bank performs its functions in a certain manner.
47	Board must ensure Bank operates in a financially responsible manner.
48	Board must ensure that Bank complies with subpart 8 of the Act relating to subsidiaries (ss110-114).
49	Board must have regard to financial policy remit when acting in relation to prudential and strategic intentions and prudential standards.
66(1)	Board must notify Minister of a failure to comply with ss 62 or 65, and of the acts affected, as soon as practicable after becoming aware of the failure.
91(1)	Board must advise Minister if there is just cause for removal of the CE/Governor.
96(2)	Board must make a recommendation within 28 days of the office of CE/Governor becoming vacant.
99(1)	Board must regularly review performance of MPC and its members.
106(1)	Board must approve a code of conduct for members of the MPC.
106(2)	Board must ensure that a code of conduct for members of the MPC is always in force.
196	Board must supply the Minister any information relating to the operations and performance of the Bank or any of its subsidiaries that the Minister requests.
197	Board must supply to Minister of Finance any information requested by Minister in connection with the exercise of Minister of Finance's powers under Part 5.
212	If there is no funding agreement in place for a financial year, the board must take all reasonable steps to ensure that the Bank's expenditure complies with the requirements in the most recent funding agreement for the last financial year to which that agreement applies.
258	Board must ensure that proper accounting records are kept.
Sch 3, cl 10	Board must consult chairperson before making a recommendation under cl 9 in respect of an internal member.
Sch 3, cl 15(2)	Board must notify Minister of failure to comply with disclosure requirements in sch 3, cl 15(1)(c) as soon as practicable after becoming aware of the failure.
Sch 3, cl 26	Board must advise Minister of ground for removal and may recommend removal of member of MPC.

² Noting that sections 50 to 54 have not been included as they apply to individual board members.

Appendix 8: Board Approved Policies

Board Approved Policies
Code of Conduct
RBNZ Decision-making policy
Risk management
Technology management
Information and data management
Protective security requirements
Workplace health, safety and wellbeing
Procurement
Expenditure

The Code of Conduct and other Board approved policies are publishing on the RBNZ external website [here](#).