

Plant Trolley System Special Interest Group

Terms of reference

1. Background

- a) NZPPI (through its wholly owned subsidiary Nurserymens Enterprises Limited (NEL)) owns a Plant Trolley System (PTS) to enable efficient loading, shipping and unloading of plants across the supply chain (www.nzppi.co.nz/trolleys).
- b) The NZPPI Board and a wider group of key trolley users and operators have agreed that a Special Interest Group (SIG) be established to make recommendations as to the ongoing operation of the PTS as per Clause 15 of the NZPPI Constitution and these Terms of Reference.
- c) The formation of the PTS SIG recognises that users of the PTS have a strong interest in the success of the system and that users are a subgroup of NZPPI's community and thus establishment of an SIG will assist with providing the Board with guidance on the future management of the PTS.

2. Constitution

- a) The PTS SIG shall be a Special Interest Group of NZPPI operating as a committee of NZPPI.
- b) It is acknowledged that management of the trading activities of PTS takes place through NEL, the board of which is the same as the Board of NZPPI. Funds for the operation of the SIG may be provided from NEL, with the Board's prior approval.

3. Purpose

- a) The purpose of the SIG is to provide guidance and recommendations in relation to management of the PTS to ensure it operates effectively as a system that meets the needs of system users. Its scope includes review of system development and promotion of the PTS to members and third parties on an on-going basis.

4. Governance

- a) The SIG is formed as a committee under the auspices of NZPPI and the Board of NZPPI is ultimately accountable for the actions of the SIG. In recognition of this, the SIG and its Steering group shall comply with Board directives and policies.
- b) The Steering Group shall abide by NZPPI's Conflicts of Interest policy and shall maintain an Interests Register.
- c) The Steering Group shall comply with the terms of NZPPI's constitution.

- d) The SIG shall not enter into any legal agreements without NZPPI Board authority.
- e) The NZPPI Board reserves the right to intervene, review and terminate the SIG at any time if the former believes the interests of NZPPI are at risk.
- f) The Steering Group or its members shall make no independent public statements without the express approval of the Board.

5. Steering Group

- a) Members of the Steering Group will be nominated by NZPPI members who are plant trolley users and ratified by the NZPPI Board. The Steering Group shall comprise:
 - Up to seven members
 - At least two who are Producer members of NZPPI
 - At least one who a dedicated plant transporter
 - At least two who are non-producer and non-transporter users
- b) The Steering Group may co-opt external expertise as needed. Any cost of such expertise shall be within the workplan and budget parameters established annually, and/or within limits of Delegated Authority.
- c) The chair of the SIG shall be appointed by the Board, which will consider nominations from the Steering Group.

6. Responsibilities

- a) Subject to limitations on the committee's authorities set out in this Terms of Reference, the responsibilities of the Steering Group are as follows:
 - i) Setting and reviewing direction for the Plant Trolley system (includes defining how the Plant Trolley System needs to operate, agreeing solutions to address issues, and identifying strategies to effectively manage and grow the system)
 - ii) Reviewing and monitoring management and implementation of the above
 - iii) Monitoring performance of the Plant Trolley System & its KPIs.

7. Operations

- a) The Steering Group will meet on an as-needed basis.
- b) All Any member of the Steering Group may request a meeting at any time if they consider it necessary.
- c) A quorum of members of the Steering Group shall be 60% of its number (rounded up to the nearest whole number).

- d) Meeting records shall be kept in such a manner that their deliberations of the group are clearly described in accordance with good meeting practice. These shall be made available to the CEO following each meeting.
- e) In order that the Board is apprised of SIG plans and activities
 - i) The Steering Group will formulate a plan (including budget) and provide the same to the CEO, on behalf of the NZPPI Board, for their approval, at its first meeting each financial year. Where the SIG's work is on-going, an annual plan shall be provided.
 - ii) The Board's assessment of the plan is primarily focused on forming a view on financial prudence and risk management and assurance. The Board may take advice from the CEO and external advisers as required.
 - iii) The Steering Group shall provide a report to each Board meeting principally addressing progress against plan, variances and any foreseeable risks.
- f) The Steering Group may draw upon the NZPPI Executive for support. Support costs are charged on an actual and reasonable basis agreed in advance through the annual budgeting cycle.
- g) The chair will present an annual report to the Bboard summarising the committee's activities during the year and any related significant results and findings. This report shall also be published in NZPPI's Annual Review
- h) The Steering Group will host an annual meeting of trolley users at or around conference.

8. Finances

- a) The Steering Group has no direct authority to undertake transactions having financial or contractual implications. This authority is delegated through the CEO who shall act in accordance with NZPPI's Delegated Authorities and Expense Reimbursement policies
- b) An Income Statement cost centre is established in NZPPI for the SIG where income and expenses pertaining the SIG are recorded. Funding may be drawn from Nurserymens Enterprises Limited (NEL) with the Board's prior approval.
- c) Balance Sheet "reserve" accounts are established to hold "surplus" funds from year to year. Two accounts will be established; an Operations Reserve account will accumulate the gross contribution from the Income Statement cost centre and a Depreciation Reserve account accumulate depreciation expense. The latter is intended to provide for future capital expense.
- d) SIG funds available for SIG use/development are established at a zero balance as at 1 April 2017. The \$80,000 loan approved by the Board on 17 March 2017 to fund new trolleys in 2017 is deemed satisfied at 31 March 2017.
- e) Irrespective of the financial delegation in paragraph 8a) above, the limit of any financial

commitment is the quantum in the account prescribed in paragraph 8d) above. No commitment may be entered into that exceeds this quantum, or without prior reference to annual budgets to ensure funds are available to meet any future commitment, especially where income is collected in advance of expenses

- f) At the end of each financial year, the surplus balance in the Income Statement's Cost Centre is transferred to the SIG's Balance Sheet Operations Reserve account, and the depreciation expense transferred to the Depreciation Reserve account (effectively leaving the cost centre at breakeven), and is available for future use by the SIG.

9. Limitations of Authority

- a) The express authority of the Board is required prior to opening bank accounts, borrowing money, guaranteeing third party liabilities, entering into legal agreements, employing or contracting third parties or negotiating and/or sourcing funding from third parties (example, Government grants). Such authority can be "on-going" for routine SIG activity (for example acquiring an ongoing third party service) where it is specified in the annual plan or budget. The CEO will liaise with the SIG and the Board in this regard.

10. Review of the SIG

- a) The Steering Group will undertake an annual self-review of its purpose and responsibilities. Its purpose and responsibilities will also be reviewed by the CEO and/or the Board.

11. Steering Group Member Indemnity:

- a) Steering Group members will be treated as "officers" for the purpose of clause 49 of the NZPPI Constitution. Accordingly:
 - i) No Steering Group member will be liable for the acts or defaults of any other officer or any loss so occasioned, unless occasioned by their wilful default or by their wilful acquiescence (in respect of Board policies and guidelines, the TOR or the NZPPI Constitution).
 - ii) Steering Group members are indemnified by the NZPPI for all liabilities and costs incurred by them in the proper performance of their functions and duties, other than as a result of their wilful default.
- b) NZPPI shall ensure directors' and officers' liability insurance extends to Steering Group members.