



GRANT WILLIAM NELSON

Settlor

GRANT WILLIAM NELSON

MARILYN ANN NELSON

Trustees

DEED OF TRUST ESTABLISHING
THE INTEGRITY INSTITUTE

I hereby certify that this is a correct copy of the trust deed or rules of The Integrity Institute as per section 10(2)(a) of the Charitable Trusts Act 1957.

Signed: 

Trustee

Name: GRANT WILLIAM NELSON

Dated: 11/11/2024

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DEED dated 1 November 2024

PARTIES

1. GRANT WILLIAM NELSON (the "Settlor")
2. GRANT WILLIAM NELSON and MARILYN ANN NELSON (the "Trustees")

INTRODUCTION

- A. The Settlor has decided to create a charitable trust to be known as The Integrity Institute ("Institute").
- B. The main purpose, but not the only purpose, of the Trust is to facilitate research and public education on the importance of good, transparent and accountable public decision-making.
- C. Another main purpose is to carry out research on how to achieve affordable and accessible access to civil justice.
- D. The Trustees have agreed to be the initial Trustees of the Trust.

OPERATIVE PROVISIONS

1. DEFINITIONS & INTERPRETATION

- 1.1 Unless the context otherwise requires the following expressions will have the meaning ascribed to them:
 - (a) "Board" means the Trustees of the Trust incorporated as a Board under the Charitable Trusts Act 1957 (or, before incorporation, the Trustees collectively).
 - (b) "Charitable Purposes" means the charitable purposes set out in clause 3.1 of this Deed.
 - (c) "Director" means the CEO of the Trust appointed from time to time by the .
 - (d) "Memorandum of Instructions" means the memorandum of instructions signed and dated by Grant William Nelson, the Settlor, and attached to this deed from time to time when the instructions are updated.
 - (e) "Settlor" means only Grant William Nelson or anyone he appoints as his successor by deed or by will.
 - (f) "Statutory Trustee" means a trustee that is a body corporate and that is authorised under an enactment to act as executor or administrator of a deceased person's estate and includes a trustee corporation.
 - (g) "Trust Fund" means the assets and liabilities of the trust, including the initial settlement referred to in clause 2.1.

- (h) **"Trustees"** means the trustees of the Trust for the time being (including the Trustees who are parties to this Deed and who remain as trustees, together with any substituted trustees).
- (i) **"Trust"** means the trust created by this Deed.
- (j) **"Vested interests"** are defined as "people or organisations who have a strong interest in a business, organisation, system, policy, regulation or law in order to protect money, power or reputation to the potential detriment of the common good."

1.2 Unless the context otherwise requires:

- (a) A reference to this Deed includes any variation of it made by the Settlor;
- (b) The singular includes the plural and vice versa;
- (c) A reference to a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality);
- (d) Where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (e) A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (f) A reference to a statute or statutory provision will include all subordinate legislation made from time to time under that statute or statutory provision;
- (g) A reference to writing or written includes e-mails;
- (h) A Trustee who is ineligible to vote on a matter, including in accordance with clause 5.2, must not be included for the purposes of determining whether an approval threshold has been met;
- (i) Headings are for reference only and do not affect the construction or interpretation of this Deed; and
- (j) The words including and include mean including, but not limited to.

2. **CREATION OF THE TRUST**

- 2.1 The Settlor settles the sum of ten thousand dollars (\$10,000) on the Trustees as an initial settlement to create the Trust.
- 2.2 The Trustees acknowledge receipt of the sum of ten thousand dollars (\$10,000) and agree to act as trustees of the Trust on the terms set out in this Deed.
- 2.3 The Trust created by this Deed will be known as The Integrity Institute or such other name approved in writing by the Settlor.
- 2.4 The Trustees declare that they will hold the Trust Fund on the terms set out in the Trust. The Trust Fund will be held by the Trustees jointly until incorporation under the Charitable Trusts Act 1957, from which point it will be held by and in the name

of the Board. The trust fund will contain the assets and liabilities of the trust and the trustees will separately account for the income and expenditure of the trust.

3. CHARITABLE PURPOSES AND PRINCIPLES (MĀTĀPONO)

- 3.1 The Trustees may also devote or apply both income and capital of the Trust to further charitable purposes by:
- (a) **First Priority Purpose:** facilitate research and public education on the importance of good, transparent and accountable public decision-making that is not undermined by the activities of vested interests. The work that must be undertaken in order of priority is outlined in the Fourth Schedule. The proportion of total trust work that this work makes up is stated in the Third Schedule.
 - (b) **Second Priority Purpose:** facilitate research and public education on the importance of affordable and efficient access to civil justice for New Zealand citizens, including assistance with self-representation in all types of disputes. The work that must be undertaken in order of priority is outlined in the Fifth Schedule. The proportion of total trust work that this work makes up is stated in the Third Schedule.
 - (c) **Third Priority Purpose:** facilitate research and education of the public on important social and environmental issues facing New Zealand citizens in areas where existing vested interests may be trying to promote their own goals to the detriment of society and where the interests of the community and future generations are not being adequately represented. This will mainly involve the issues of inequality, child poverty, unaffordable housing, climate change, public health, immigration, freshwater, conservation and environment. The proportion of total trust work that this work makes up is stated in the Third Schedule.
- 3.2 The purposes of the Trust must be carried out exclusively within New Zealand.
- 3.3 The Schedules herein and any attached Memorandum of Instructions signed by the Settlor contain additional requirements which the Trustees must comply with, including those relating to:
- (a) the work to be done under the Charitable Purposes in clause 3.1;
 - (b) the role of the management and staff in implementing the Charitable Purposes;
- 3.4 The Trustees must use the income of the trust in the proportions set out at the beginning of the Third Schedule.
- 3.5 The Settlor records the following reasons for establishing the Trust and the Trustees must take this information into account when advancing the Charitable Purposes of the trust:
- (a) The Settlor and founding Trustees are concerned that since the 1980s social and environmental problems have been getting steadily worse because businesses, farmers and the wealthy have increasingly used their money and influence to get the Government decisions they want.

- (b) This involves these vested interests using lobbying, donations and other assistance given to political parties and the lobbying of officials. Action is required to strictly control or eliminate these activities and to ensure that the interests of all New Zealanders and future generations are fully taken into account when Government decisions are made.
- (c) A fundamental problem is that New Zealand does not have a written constitution that political parties and public servants have to comply with.
- (d) A major problem that also requires reforms to be made is that the vast majority of citizens cannot afford access to civil justice if they seek justice in a significant dispute. Those who do try to get justice are usually stripped of their savings by lawyers over several stressful years and often have to give up.
- (e) The legal process does not ascertain the truth and arrive at a just result, according to judges. The process is designed to reward those who deliberately create a dispute, in order to encourage more disputes for lawyers to exploit. Previous attempts at reforms have been blocked by lawyers.
- (f) Trustees and staff of the Trust must ensure that the decisions they make are in accordance with the above reasons for creating the Trust.

4. CHARITABLE PURPOSES PARAMOUNT

4.1 Notwithstanding anything contained or implied in this Deed:

- (a) The Charitable Purposes are paramount. Nothing in this Deed authorises the Trustees to do anything that does not accord with the Charitable Purposes. All capital and income of the Trust and any other benefit or advantage belonging to the Trust must be applied to the Charitable Purposes.
- (b) The Trustees must not pay, provide or allow to be derived any benefit or advantage of any kind referred to in sections CW42(1)(c) and CW42(3)-(8) of the Income Tax Act 2007 to or by any person who has some control over any business carried on by, for, or for the benefit of the Trust (as defined in section CW42 of the Income Tax Act 2007) in circumstances which would disqualify the Trust or any company owned by or business carried on by the Trust from the benefit of exempt status under section CW 42 of the Income Tax Act 2007 (or any statutory replacement or equivalent).

5. EMPLOYMENT AND REMUNERATION OF TRUSTEES AND OTHER PERSONS

5.1 No private pecuniary profit may be made by any person from the Trust Fund, except that, subject to clauses 3.1 and 4:

- (a) The Trustees may in good faith pay reasonable remuneration to any Trustees or other person for services rendered provided such remuneration:
 - (i) is for services rendered directly or indirectly for the benefit of the Trust;
 - (ii) is reasonable, relative to the services supplied;

- (iii) is not greater than the consideration that would be paid or supplied in an arms-length transaction (being the open market value) for such services;
 - (iv) is not directly or indirectly fixed or determined by the said recipient Trustee or person; and
 - (v) is confirmed by independent market evidence of market rates for such services.
- (b) Any Trustee may receive full reimbursement for all reasonable expenses properly incurred by that Trustee in connection with the affairs of the Trust.
 - (c) The Trustees may pay any person for providing professional services to the Trust in the course of and as part of carrying on, as a business or a professional public practice provided such payment is not greater than the consideration that would be paid or supplied in an arms-length transaction (being the open market value) for such services.
 - (d) The Trustees may, by unanimous resolution, authorise the payment of remuneration and/or koha (or the provision of other benefits) out of the Trust income to a Trustee for his or her services as a Trustee, if the Trustees are satisfied that to do so is reasonable and fair to the Trust and noting that the Trustees carry out their Board duties as volunteers or can be paid at a reasonable hourly rate that takes into account that The Integrity Institute and Trustees are working to advance the charitable purposes of the trust and the best interests of the community and future generations.

5.2 No Trustee can vote on any matter in which they have any personal or pecuniary interest or in which any company or other body in which the Trustee has a personal or financial interest itself has any pecuniary interest. No Trustee, or anyone associated with a Trustee, is allowed to take part in, or influence any decision made by the Trust in respect of payments to, or on behalf of, the Trustee or associated person of any income, benefit, or advantage.

5.3 Any Trustee who becomes aware that they have or may have an interest of the type referred to in clause 5.2 must immediately declare that interest to the Board and their declaration must include all relevant detail needed to provide a full and fair disclosure. All Trustees must act in good faith in all such matters.

6. TRUSTEES POWERS

6.1 In carrying out the Charitable Purposes, and subject to clause 4, the Board will have, in addition to all other powers conferred by law (including, without limitation, in the Trusts Act 2019), all the same powers as a natural person acting as beneficial owner of the Trust Fund.

6.2 In addition to the powers set out in clause 6.1 and those implied by the general law in New Zealand or contained in section 56 of the Trusts Act 2019, the Board will have the following powers:

- (a) To incorporate the Trustees as a Board pursuant to the Charitable Trusts Act 1957;

- (b) To use all of the Trust income for the charitable purposes by paying the costs and expenses of the Trust, including the employment of contractors, agents, officers and staff (which may include a Trustee or Trustees);
 - (c) To accept money, investments or other property as a gift, legacy or loan on any terms that do not interfere with the charitable purposes of the trust and are acceptable to the Trustees;
 - (d) To invest surplus funds in accordance with clause 6.6 of the Second Schedule;
 - (f) To indemnify, guarantee and secure any company, firm or person against debt or liability incurred or undertaken on behalf of the Trust and against any costs, losses or expenses in connection with those affairs of the Trust;
 - (g) To make payment or contribute to any charitable organisation that will use the assistance to advance the purposes of the Trust, providing that such payment or contribution is only a relatively minor proportion of the income of the trust; and
 - (h) To do all things that enable the Trustees to advance the Charitable priority Purposes of the Trust.
- 6.3 The Board has, to the extent permitted by law, full power to delegate all or any of the powers, authorities, and discretions exercisable by the Board under this Deed to:
- (a) any Trustee;
 - (b) any officers or employees of the Trust; or
- but without in any way releasing the Board from its obligations under this Deed.
- 6.4 In performing their roles the Trustees must comply with the duties of Trustees set out in the Second Schedule, which modify certain default duties of Trustees in the Trusts Act 2019.
- 7. RULES**
- 7.1 The Trustees must comply with the rules as to conducting the affairs of the Trust set out in the First Schedule (the "Trust Rules"). The Trust Rules may be amended or added to from time to time in a Memorandum of Instructions signed by the Settlor.
- 8. POWER TO AMEND**
- 8.1 The trust deed can only be amended by the Settlor.
- 9. NUMBER OF TRUSTEES**
- 9.1 The number of Trustees will be three (3) but pending the appointment of a trustee, there must be a minimum of two (2) trustees, except that a statutory trustee may act as sole trustee if it has not been possible to appoint trustees with the required attributes.
- 9.2 If at any time there are less than the minimum number of Trustees set out in clause 9.1, the Trustees may appoint additional Trustees and the Board may carry out essential administrative matters but may not undertake any other action or make

any other decision until the number of Trustees is increased to such minimum, PROVIDED THAT the Board (once it has the minimum number of Trustees required) may ratify and confirm any earlier action or decision purported to have been taken or made by or on behalf of the Trust while the Board was composed of less than the minimum number of Trustees.

- 9.3 Any trustee may be elected the convenor of the board on a majority vote of the Trustees. The convenor will hold office for one year and will be eligible for re-election in any subsequent year or years. The convenor will preside over all meetings of the trustees.

10. APPOINTMENT OF TRUSTEES

- 10.1 A Trustee will be appointed as recommended by both the existing Trustees and the Director by way of a written notice.
- 10.2 Trustees will be appointed for a term of two (2) years and can be reappointed providing that they have performed their duties in strict accordance with this deed and to a satisfactory standard.
- 10.3 Each Trustee must have, prior to being considered for appointment:
- (a) expressed concern about the lobbying, donations and other activities of vested interests;
 - (b) must want citizens to have affordable access to civil justice;
 - (c) must have demonstrated through previous work or community activities a strong commitment to social and environmental outcomes which benefit all New Zealanders and not mainly vested interests; and
 - (d) must each state in writing that they:
 - (i) have read this Trust Deed and will comply with it and that they are keen to achieve the purposes of The Integrity Institute and will not attempt to use trust money for any other purposes;
 - (ii) do not have any conflict of interest involving themselves, partners, relatives or close friends; and
 - (iii) they do not have a law degree.
- 10.3 Potential Trustees can be approached following recommendations by both the Director and the Trustees, providing that there is no close connection or any conflict of interest.
- 10.4 The Board must act to ensure that all the provisions of this Trust Deed are complied with and The Integrity Institute is operated in the way envisaged by the Settlor and founding Trustees as outlined in this Deed.

Advice on operational matters and advice on research and public education, as outlined in the Third Schedule, Fourth Schedule and Fifth Schedule, will be given by the Board to the Director, as required. The Board will be independent, with no members having conflicts of interest that would affect advice they give and the decisions they make.

11. REMOVAL OF TRUSTEES

11.1 A Trustee will cease to hold office if the Trustee:

- (a) in the informed opinion of a majority of all other Trustees become physically or mentally incapable of acting as a Trustee and a majority of all other Trustees has passed a resolution confirming their opinion;
- (b) commits an act of bankruptcy;
- (c) dies;
- (d) is accused or convicted of a criminal offence which in the opinion of a majority of the other Trustees makes his or her position as Trustee undesirable and a majority of all other Trustees has passed a resolution confirming their opinion;
- (e) becomes disqualified to be an officer of a charity in accordance with the Charities Act;
- (f) is requested to resign by notice in writing signed by all other Trustees if the Trustee has failed to comply with this trust deed or has not satisfactorily carried out trustee duties;
- (g) is requested to resign by written notice from the Settlor if the Trustee has failed to comply with this trust deed or has not satisfactorily carried out trustee duties; or
- (h) retires or resigns as Trustee by giving written notice to the Board.

11.2 Clauses 11.1(a) and 11.1(f) will not apply to the Settlor.

12. TRUSTEE LIABILITY

12.1 It is declared that:

- (a) Each Trustee is responsible only for such money and assets they actually receive, or which, but for their own acts, omissions, neglects, or defaults they would have received, notwithstanding their signing any receipt for the sake of conformity;
- (b) Each Trustee will be answerable and responsible respectively only for their own acts, receipts, omissions, neglects and defaults and not for those of each other, or of any banker, broker, auctioneer, or other person with whom, or into whose hands, any Trust money or security is properly deposited or has come;
- (c) No Trustee will be liable personally for the maintenance, repair, or insurance of any property included in the Trust Fund; or for the payment of any charges on such property;
- (d) No Trustee hereof will be liable for any liability or expense arising from any cause whatsoever when acting with the authority of the Board and will be entitled:

- (i) If the Trustee has paid the expense or discharged the liability out of the Trustee's own funds, to reimbursement from the Trust Fund or income; or
- (ii) In any other case, the Board must pay the expense or discharge the liability directly from the Trust Fund or income;

UNLESS such liability or expense arose from the Trustee's dishonesty, wilful misconduct or gross negligence or was incurred without authority from the Board.

- (e) No Trustee will be bound to take any proceedings against a co-trustee for any breach or alleged breach of trust committed by that co-trustee;
- (f) Notwithstanding the prudence or otherwise of retaining assets in the Trust Fund no Trustee will be liable for any loss suffered by the Trust Fund by reason of the Trustees retaining any asset forming part of the Trust Fund; and
- (g) Subject to clause 12.1(d) above, a Trustee (including a retiring Trustee) will be entitled to an indemnity out of the Trust Fund for any loss or liability that Trustee incurs while acting (or failing to so act) as a Trustee.

13. COMMON SEAL

- 13.1 The Board must have a common seal (the "**Common Seal**") which must be kept in the custody of the secretary (or such other officer as may be appointed by the Board) and which may be used only by authority of the Trustees previously given at a meeting of the Board to any document requiring execution by the Trustees. Each such use of the Common Seal must be performed in the presence of and accompanied by the signatures of at least two (2) Trustees and will be sufficient evidence of the authority to use such seal. No person dealing with the Trustees will be bound or concerned to see or enquire as to the authority under which any document is sealed and in whose presence it was sealed.

14. TRUST CONTRACTS

- 14.1 Contracts on behalf of the Trust may be made as follows:

- (a) A contract which if made by private persons would be by law required to be by deed may be made on behalf of the Trust in writing under the Common Seal of the Trust attested as referred to above;
- (b) A contract which if made between private people that would by law be required to be in writing, signed by the parties to be charged herewith, may be made on behalf of the Board in writing signed by any person acting under its authority, express or implied; and
- (c) A contract which if made between private people would by law be valid although made verbally only, and not reduced into writing, may be made verbally on behalf of the Board by any person acting under its authority, express or implied.

PROVIDED HOWEVER no such contract may be entered into by any person on behalf of the Trust except with the authority of a resolution passed by the Trust.

15. COUNTERPARTS

- 15.1 This Deed may be executed in any number of counterparts (including email and facsimile copies), all of which, when taken together, will constitute one and the same instrument. A party may enter into this Deed by executing any counterpart.

16. DISSOLUTION OR WIND UP OF TRUST

- 16.1 The trust is intended to exist in perpetuity, however, the Settlor may resetttle or wind up the Trust. The Trustees or any other party are not permitted to resetttle or wind up the Trust.
- 16.2 Upon winding up, any remaining portion of the Trust Fund, or the net proceeds remaining from the sale of the assets of the Trust must be applied, after payment of all liabilities, to the Christchurch Foundation (CC54845) towards providing funding for a 1.5 metre wide public walking track on the Port Hills between Godley Head in Christchurch and Akaroa.

FIRST SCHEDULE: TRUST RULES

17.

The Trustees must conduct the Trust in accordance with the following Trust Rules and in accordance with any amendment to the rules in a Memorandum of Instructions signed and dated by the Settlor:

- (a) The Board will meet online three (3) times each year in February, June and October.
- (b) The Trustees will hold other online meetings at such times as they will determine PROVIDED HOWEVER that any Trustee may request a meeting of the Board (a “**Special Meeting**”) by notice in writing.
- (c) No meeting of Trustees may transact any business unless a quorum of Trustees is present. A quorum must be such number of Trustees as will be at least half of the total number of Trustees, provided that the quorum for a Special Meeting must be not less than three quarters (3/4) of the total number of Trustees.
- (d) Upon any matter to be decided or business to be transacted at a meeting of the Trustees each Trustee personally present will have one (1) vote. The number of votes required to reach any decision will be:
 - (i) For a general meeting, not less than two-thirds (2/3) of the number of Trustees present at such meeting; and
 - (ii) For a Special Meeting, not less than one hundred percent (100%) of the number of Trustees present at such meeting.
- (e) A resolution in writing (including by way of email) signed or assented to by not less than two-thirds (2/3) of the number of Trustees will be as valid and effectual as if it had been passed at a general meeting of the full Board, and a resolution in writing signed by all Trustees will be as valid and effectual as if it had been passed at a Special Meeting of the full Board. Any such resolution may consist of several documents (including email messages assenting to the resolution, scanned copies of signed resolutions and other similar means of communication) each signed or assented to by one (1) or more Trustees.
- (f) Meetings may be conducted by telephone conference, video conference or any similar means of electronic, audio or audio-visual communication, provided that the Trustees can hear each other well enough to follow the discussion throughout the meeting. For the purposes of establishing a quorum and voting on any matter to be decided or business to be transacted as a meeting of Trustees, a Trustee attending in accordance with the provisions of this clause (f) will be deemed to be present at the meeting.
- (g) Where any procedural requirement set forth in these Trust Rules may be found not to have been complied with, any subsequent meeting of the Trustees may ratify and confirm any earlier action purported to have been taken or done by or on behalf of the Trust.
- (h) The Trustees must ensure that there are appropriate and up to date financial and accounting policies and records in place so as to safeguard the Trust from financial risks including fraud, embezzlement, money laundering and any other form of financial theft or loss.

- (i) The Trustees must ensure that annual financial statements are prepared for the Trust in accordance with the financial and accounting policies in place for the Trust and will have them audited annually by a Chartered Accountant.
- (j) The Trust must keep appropriate accounting and other records of use of the Trust Fund and manage it in accordance with accounting principles, standards and practices generally accepted in New Zealand. This will include keeping a separate account for each of the first, second and third priority charitable purposes showing the opening balance, income, expenditure and closing balance for the year.
- (k) The convenor will not have a casting vote.

SECOND SCHEDULE: DUTIES OF TRUSTEES

Further to clause 6.4, this Schedule sets out the duties that Trustees must perform.

1. **Mandatory duties**

- 1.1 The Trustees acknowledge the mandatory duties that apply to them which are set out in sections 22 to 27 of the Trusts Act 2019, which are to:
- (a) know the terms of the Trust;
 - (b) act in accordance with the terms of the Trust;
 - (c) act honestly and in good faith;
 - (d) hold or deal with the assets of the Trust to further the purpose of the Trust;
and
 - (e) exercise their powers for a proper purpose.

2. **Modification of default duties**

- 2.1 The clauses which follow modify the default duties under the Trusts Act 2019, including the following sections:
- (a) Section 29 General duty of care;
 - (b) Section 31 Duty not to exercise power for own benefit;
 - (c) Section 32 Duty to consider exercise of power;
 - (d) Section 33 Duty of trustees not to bind or commit trustees to future exercise of discretion;
 - (e) Section 34 Duty to avoid conflict of interest;
 - (f) Section 35 Duty of impartiality;
 - (g) Section 36 Duty not to profit; and
 - (h) Section 37 Duty to act for no reward.
- 2.2 All of the duties listed in the previous sub-paragraph are modified to the extent necessary to give full effect to the following clauses in this Schedule.
- 2.3 In addition to this, the duty to invest prudently (section 30 Trusts Act 2019) is excluded and replaced by the provisions of this Schedule.

3. Exercise of discretion

- 3.1 No Trustee will be liable for the exercise of any discretion in accordance with the Deed except for any loss which arises from the Trustee's dishonesty, willful misconduct or gross negligence.
- 3.2 The Trustees may by deed give up any of their powers under clause 6, Providing that such action advances the purposes of the trust. Such deed may also bind future Trustees if the deed says this.
- 3.3 The Trustee's duty to consider their exercise of power under section 32 of the Trusts Act 2019 is excluded but only to the extent that is consistent with section 51(4) of the Trusts Act 2019.

4. Trustees' decisions

- 4.1 The Trustees must give reasons for any significant decisions they make but need not record in writing every minor decision or reasons for it.

5. Trustees may not act as directors

- 5.1 Any Trustee or special trust adviser may not act as a director, officer or employee of any company or its subsidiary company.

6. Investment Principles

- 6.1 The Trustees have authority to invest any or all of the Trust Fund.
- 6.2 Section 29 of the Trusts Act 2019 is modified so that it does not apply to investment of the Trust Fund but the Trustees must invest in good faith in what the Trustees believe to be the best interest of the purposes of the Trust.
- 6.3 Section 30 of the Trusts Act 2019 and other legal provisions and rules of law which constrain Trustees' investment duties do not apply and are excluded by this Deed. Instead the Trustees must invest in the manner they believe in good faith to be in the best interest of the purposes of the Trust subject to clause 6.6 of this Schedule.
- 6.4 The clauses in this Schedule which follow are intended only to amplify the previous three sub-clauses and to avoid any doubt. Nothing in the following clauses is to be read so as to limit the wide provisions of these investment principles.
- 6.5 The Trustees will not be liable for any loss or liability resulting from investment in accordance with any of these investment principles. The Trustees will be indemnified out of the Trust Fund in each such case. However, this clause does not exclude liability for a Trustee's dishonesty, willful misconduct or gross negligence.
- 6.6 If any funds are held by the Trust for the purpose of deriving income for the Trust, the funds will be held in short term bank deposits to provide cash flow and for longer term investments will be held in a managed moderately conservative portfolio investment. Approximately half will be invested with Craigs Investment Partners and approximately half with Forsyth Barr. If one of these firms is found to be unsatisfactory, a similar managed portfolio investment can be arranged with another firm which is one of the three largest share broking firms in New Zealand offering a similar personalised portfolio investment service.

THIRD SCHEDULE: TRUST ACTIVITIES, REPORTING AND STAFF

Further to the Charitable Purposes, this Schedule sets out the following matters which the Trustees must comply with.

1. Use of Funds

1.1 The trustees must:

- (a) apply the income of the trust fund in each year ("Trust Income") in the priority order as follows:
 - (i) up to 70% of the Trust Income to be used for the First Priority Purpose under clause 3.1, with a minimum of 50%;
 - (ii) up to 30% of the Trust Income to be used for the Second Priority Purpose under clause 3.2, with a minimum of 20% ; and
 - (iii) if, after the best endeavours of the Director, the Trust Income is not all able to be used for the First Priority Purpose and the Second Priority Purpose, then up to 20% of the Trust Income may be used for the Third Priority Purpose under clause 3.1.
- (b) Comply with the latest dated Memorandum of Instructions signed by Grant William Nelson, the Settlor.

- 1.2 The Institute will use at least half of its income to prepare and widely disseminate social media and news media releases that use news events or research findings to advocate for reforms that promote the purposes of the Trust. This will aim to better inform the general public, elected representatives, officials and policy-makers

2. Activities of the Trust

- 2.1 The Institute will widely promote through social media and news media the need for changes to be made that will better serve the interests of all citizens and future generations. This will include issuing a news release when events occur or decisions are made by elected representatives that appear to have involved vested interests getting an unfair advantage.

2.2 The Director and staff will:

- (a) prepare and widely disseminate opinion articles and media releases that critically assess the reasons put forward for making decisions that are not in the public interest or evidence-based and will pose questions about the possible involvement of vested interests, lobbying, donations etc.
- (b) prepare and present submissions on government bills and discussion papers that are relevant to the purposes of the Institute.

- 2.3 Public education will not include giving talks to small groups of citizens unless they have an influence over policy formulation and decisions being made.

- 2.4 In order to carry out the purposes of the trust, the Institute may:

- (a) Employ or contract researchers to assist the Director and to carry out the work of the Institute.
- (b) Request through universities and other independent organisations applications for a research grant for a project if Institute staff do not have the time and expertise to undertake that project or if collaboration with another independent organisation on a particular project would better help achieve one of the purposes of the Institute. Preference will be given for grants and contracts to applicants who have the greatest research experience directly relating to the project and who can demonstrate an empathy for the priority purpose of the project.
- (c) Carry out any fundraising activities that the Director and Board believe will provide funds to help achieve the purposes of the trust;
- (d) Promote the Institute and its purposes through social media and news media in accordance with what the Director and Board may decide. Important advocacy work may have to be carried out using paid content on social media and in large publications; and
- (e) Undertake any other activities that the Director and Board decide will advance the purposes of the trust.

2.5 The Institute shall:

- (a) Require any grantee or contractor to sign an agreement setting out the project and deliverables including that no information has been withheld, there are no conflicts of interest, reporting requirements, termination and refunds. A template agreement will be used.
- (b) require recipients of funding from the Institute ("**Recipients**") to provide at least six-monthly reports detailing the application of the funds granted and the anticipated future application of funds granted;
- (c) keep a register of reports due from those who have received funding;
- (d) keep a record of any failure by the Recipients to comply with the terms of any grant agreement, funding agreement or other agreement pursuant to which the trust provides funds to the Recipient ("**Funding Agreement**") and any remediation or refunds required;

2.6 If the Institute is offered a substantial donation or gift, it will only be accepted on condition that it will be used for a specific purpose that will advance the purposes of the trust and the Institute must:

- (a) keep that donation or gift and any income arising from it separate from the other assets of the trust fund; and
- (b) use that donation or gift and any income arising from it only for the specific purpose for which it has been given and to meet any expenses which the Institute considers relate (directly or indirectly) to the administration of that specific purpose.

2.7 The Settlor, Grant William Nelson, may vary the purpose of the Trust from time to time provided always that such purposes are charitable and such changes are to:

- (a) enable the better management of the Institute; or
- (b) meet the changing needs of New Zealand society (in the Settlor's reasonable opinion).

3. Reporting

- 3.1 The Director will be responsible for providing a report prior to each Board meeting on the work of the Institute and any operational problems encountered.
- 3.2 The Director will provide the following reports to the Board:
 - (a) A month before the end of the financial year, provide a report stating whether all income received for the year has been spent for the purposes of the trust or will be spent by the end of the financial year. A budget and details of the work to be carried out during the next financial year will be provided.
 - (b) Within three (3) months after the end of the financial year, provide a report detailing how all of the income for the financial year was spent and how each item complied with the purposes and priorities outlined in the Institute Trust Deed.
 - (c) Within six (6) months of the end of the financial year, provide annual financial statements that have been audited by a firm of Chartered Accountants. These financial statements will include separate accounts that show how much has been received and spent on each of the priority purposes. The audited annual financial statements will show each source of income received and each of the actual expenses incurred. The Balance Sheet will show each of the assets and liabilities, including moneys owed to or by the Institute.

4. Institute Staff and Contractors

- 4.1 The Institute will have staff or contractors to carry out the required research and public education work but it can also provide research grants to help achieve its purposes.
- 4.2 Contractors may be engaged if the time and hourly rates charged are higher but not substantially higher than if staff were employed. They must have no personal or professional conflicts of interest.
- 4.3 The Job Requirements under the Job Descriptions of staff or the contract requirements for individuals working for contractors must include the following requirements:
 - (a) They have demonstrated through previous work or community activities a commitment to social and environmental outcomes which benefit all New Zealanders and not mainly vested interests.
 - (b) They must each state in writing that they are keen to achieve the relevant purposes of the Institute.
 - (c) They must not have conflicts of interest involving themselves, partners, relatives or friends.
 - (d) They must be available, if required, for news media interviews about their work and to help prepare news media releases.

- (e) The staff member must read a document containing this schedule of this Deed and sign the document stating that they will comply with its provisions.
- (f) The Director will approve in writing any proposed use of a I by a staff member or contractor. Each contractor will be required to provide details of the extent to which their work and reports will be and have been AI assisted and this will be taken into account when assessing the cost and quality of the work.
- (g) The performance and output of individual staff members will be measured each year by the Board against their work towards the purposes of the Institute.
- (h) Full-time staff will not engage in any other work.
- (i) If during the term of an employment contract the Board has concerns about the performance and output of the Director or another staff member, warning letters will be sent to the person outlining the issue or issues. If, after warnings, performance or output does not improve, the remaining legal steps for dismissal can be commenced.
- (j) The Institute will not pay for the Director or staff to travel overseas. On rare occasions, the Director can approve travel within New Zealand providing that the benefits are assessed to outweigh the time and costs involved and these details are included when later reporting to the Board.
- (k) Those working on the access to affordable justice project will not have a law degree unless they have demonstrated through community activities a very significant concern for social justice over several years (not including legal assistance work).

5. Director of the Institute

- 5.1 The Director of the Institute will supervise and be involved in the research and administration work of the Institute. Most or all of the spokesperson news media and submission presentation work will be carried out by the Director.
- 5.2 The staff requirements above will apply to the Director.
- 5.3 The Director will ensure that the income of the Institute is spent in the most cost effective way. This will include checking out and getting quotes for goods and services and making sure that time is used in the most productive and influential way.
- 5.4 The Director will be selected through an, open selection process and will live in the Wellington region. If extensive advertising fails to result in the employment of a suitable Director living in the Wellington region, a person with the desired attributes living elsewhere in New Zealand can be appointed if this will not negatively impact the work of the Institute.
- 5.5 The Director will be paid at up to the pay rates for an Associate Professor at Victoria University of Wellington.

FOURTH SCHEDULE: FIRST PRIORITY PURPOSE WORK

1. Introduction

- 1.1 The following are the research and public education priority purpose work that will be carried out until reforms are made that best serve the interests of the community and future generations.
- 1.2 Over half the first priority income allocation will be used to prepare and widely disseminate social media and news media releases that use news events or research findings to educate the public about the need for reforms that relate to the purposes of the trust.

2. Research and Educate

- (a) Research the track record of TINZ to expose the myth they have created to help businesses make money by corrupting Government decision-making.
- (b) Widely disseminate information and give priority to the largest audiences. Don't waste time on small groups. Never assume that the average person knows about the bad aspects of vested interests, lobbying and donations. Explain how lobbying and donations work for those with money but not for charities and community groups who lack money;
- (c) Arrange with Stuff and other news media for a regular comment column or an op-ed. Avoid mentioning their competitors to help ensure publication;
- (d) Contact all journalists and offer to provide comments on Government decisions that favour businesses, farmers or the wealthy and appear to be not in the best interests of citizens, the community or future generations. Offer some journalists a future opportunity for an exclusive story;
- (e) Pay news media expenses to conduct a sting operation to record a lobbyist and a politician agreeing to arrange special favours. (For example, to get funds or favours for a business sector);
- (f) N Z Politics Daily will be partly funded by the Institute if this is a good way of reaching a wide audience who can often be sent education articles. Regular research will be done to add to the email address list journalists, commentators, influencers, politicians, members of political parties, policy analysts and others who have an influence on decision-making. They will not be required to pay for a subscription;
- (g) Summarise the problems of not having a written constitution after reading articles by Geoffrey Palmer and others. Mention this fundamental problem in some articles. Also, examine the need for regulations to ensure that political parties have objectives requiring them to act in the best interest of all citizens;
- (h) Research the numerous tables of OECD statistics and list the mainly low NZ ranking for each table. Compare NZ with higher ranked countries that are perceived by TI to be more corrupt than NZ but have better integrity regulations so have laws that serve their people much better;
- (i) Investigate Ministers to determine if they have any expertise or interest in the areas that they have responsibility for. Analyse the qualifications and work experience and background of each Minister for each Cabinet portfolio they hold;

- (j) Create a spreadsheet using Ministerial diaries to show how each Minister spends their time with columns for business lobbyists, community lobbyists, officials, types of meetings etc;
- (k) Using Ministerial diaries, work out the free time each week that Ministers have to make decisions in each of their portfolios;
- (l) Record and analyse the backgrounds of those who lobby by checking Ministerial diaries for names. Former lobbyists can be asked for their insights. The information to be used to help explain a range of past decisions and to be available when an issue arises;
- (m) Record the amount of lobbying by vested interests on a particular issue and compare with the amount of lobbying by any community groups concerned about the same issue;
- (n) Research revolving door issues involving lobbyists, Taxpayers Union, New Zealand Initiative etc;
- (o) Conduct a survey of former Ministers and Members of Parliament about lobbying, donations etc on an anonymous basis;
- (p) Invite Director of Australian Centre for Public Integrity to come here on an expenses paid speaking tour of news media on lack of lobbying regulations and poor donations legislation. Get advice and assistance from the Centre on work, website, spreadsheets etc;
- (q) Compare rich list total wealth at inception with total wealth this year, if available. Compare with inflation, wages benefits etc over the same period;
- (r) Have some retired people monitor radio and publications regarding lobbying, donations etc;
- (s) Advertise for suitably qualified retired people to carry out research projects on a voluntary or expenses paid basis;
- (t) Research action by the Public Service Commission on public sector integrity, including implementing all international monitoring anti- corruption recommendations;
- (u) Research the establishment of an Integrity Commission similar to the Anti Corruption Commission in Australia and other countries;
- (v) Research how a comprehensive review and reform of the OIA is required;
- (w) Research the need for a public register of beneficial ownership of New Zealand companies, trusts and limited partnerships;
- (x) Use OIA to get gift registers from Government Departments, Reserve Bank, Pharmac etc;
- (y) Research how the institutional and financial transparency of political parties needs reform;
- (z) Record and analyse the backgrounds of those who donate money, as shown in political party returns, for current use or when an issue arises;

- (aa) Record and analyse the funding of political parties by taxpayers, donations and other assistance provided by vested interests;
- (bb) Keep a record of important decisions that ignore basic independent expert evidence and a record of decisions that ignore basic official advice. Send an OIA request for the evidence and advice used to make each decision;
- (cc) Keep a record of decisions that help businesses, farmers and wealthy people make money despite independent expert evidence showing that the health, incomes, costs and wellbeing of people will be badly affected and/or future generations will be negatively impacted;
- (dd) Research the origins and activities of the N Z Taxpayers Union, Maxim Institute and other similar organisations;
- (ee) Research the influence of Federated Farmers and other farming organisations relative to their contribution to GDP, employment, tax etc (independent report available on request);
- (ff) Publish a case study on the wage subsidy using the substantial amount of information obtained on this issue; and
- (gg) Research the gradual decline in the ability of the news media to investigate and report corruption issues to the majority of citizens.

Promote Reforms

- (hh) Promote lobbying regulations to control the lobbying of politicians, officials and other decision-makers by vested interests. These reforms could initially include the following:
 - (i) An online and publicly accessible register in which lobbyists have to make quarterly returns detailing their contacts with Designated Public Officials (DPOs);
 - (ii) A stand-down period of three (3) years in which former DPOs cannot lobby government on issues where they had official dealings; and
 - (iii) A mandatory code of conduct for lobbyists, and lobbying-related provisions added to existing codes of conduct for DPOs.
- (ii) Ideally, reforms would include the following:
 - (i) A requirement to ensure equal time spent with those representing vested interests and with those representing the community and future generations;
 - (ii) No personal connections, cash or other assistance to be used to gain access for lobbying;
 - (iii) Vested interests requesting a decision to be made, must pay for an independent report and recommendations to be prepared by Public servants or by consultants that only work on public interest issues;
 - (iv) Public servants to prepare a report taking into account all relevant facts and recommending decisions to be made in the best long term interests of all New Zealanders;

- (v) A Minister making or contributing to an important decision, to provide a report stating what evidence they have used and time they have spent in researching and arriving at a decision;
- (vi) Support the need for better legislation to regulate political party donations;
- (vii) Donations to not exceed \$1,000 and to be only made by individuals; (Similar to Canada and Ireland);
- (viii) Donations to be sent to the Electoral Commission and then amalgamated with other party donations so that all donations are anonymous;
- (ix) The Electoral Commission to fund parties based on their share of the last vote and the results of independent Electoral Commission public opinion polls; and
- (x) Arrange for bills to be drafted to control lobbying, donations, revolving doors etc based on overseas legislation.
- (jj) Make appointments to meet MP's and party bosses to discuss the huge harm done by lobbying, donations etc and try to get some political parties at the next election to promise major reforms to lobbying, donations etc;
- (kk) A book to be written on who runs New Zealand;
- (ll) Once there is more publicity about lobbying, donations etc, a public opinion survey can be conducted on who the country is run for the benefit of and public trust in lobbying, political party donations etc;
- (mm) Expose the lack of a written constitution and the lack of political party objectives and regulations so anything goes and no requirement to act in the interests of the whole community and future generations;
- (nn) Research Ministry for reducing regulations because it will assist vested interests.
- (oo) Research the need to prevent political appointments;
- (pp) Analyse business and farming welfare schemes and calculate the total annual cost;
- (qq) Examine consultants excessive influence and their conflicts of interest. Instant expertise at high cost;
- (rr) Poor procurement decision-making;
- (ss) Failure of Auditor-General to do his job properly in relation to the wage subsidy; and
- (tt) Public servants or business servants.

3. Trusts reform

- 3.1 If on a rare occasion, urgent research and public education work is needed on an issue that is closely related to the above projects but is not covered above, the Director can carry out that work providing that it aligns with the purposes and priorities of the trust and it is work that the Settlor would almost certainly have approved.

- 3.2 The trustees can approve other closely related research projects if all the above projects have been properly dealt with and completed, providing that a new project aligns with the purposes and priorities of the trust and is one that the Settlor would almost certainly have approved.

FIFTH SCHEDULE: SECOND PRIORITY PURPOSE

1. Access to Affordable Civil Justice and Dispute Resolution

- 1.1 The following are the research and public education priority issues that will be dealt with until reforms are made that best serve the interests of the community and future generations.
- 1.2 Over half the second priority purpose income allocation will be used to prepare and widely disseminate social media and news media releases that use news events or research findings to educate the public and to promote reforms that relate to the purposes of the trust.

2. Issues to be Investigated

(Further details about each issue are outlined in a document called Fifth Schedule expanded notes)

- (a) Restrictions on competition;
- (b) Excessive hourly rates;
- (c) Unacceptable methods resulting in high costs;
- (d) Delay, deny and defend;
- (e) Overcharging and invoicing;
- (f) Unacceptable Profiteering;
- (g) Adversarial dispute creation;
- (h) Arbitration scams;
- (i) Psychological and financial impacts on clients;
- (j) Legal Ethics;
- (k) NZ Law Society issues;
- (l) Human rights commission paper and enforcement;
- (m) Lawyer Training;
- (n) Exploitation of Law Graduates;
- (o) Reforms required;
- (p) An inquisitorial justice system with no cap on who can represent themselves;
- (q) A simple set of Court rules for those representing themselves to follow for civil court proceedings, similar to those of the Disputes Tribunal; and
- (r) Alternative dispute resolution for all disputes.

3. **Additional Work**

- 3.1 If on a rare occasion, urgent research and public education work is needed on an issue that is closely related to the above projects but is not covered above, the Director can carry out that work providing that it aligns with the purposes and priorities of the trust and it is work that the Settlor would almost certainly have approved.
- 3.2 The trustees can approve other closely related research projects if all the above projects have been properly dealt with and completed, providing that a new project aligns with the purposes and priorities of the trust and is one that the Settlor would almost certainly have approved.

SIGNED AS A DEED

SIGNED by the said **GRANT
WILLIAM NELSON** as Settlor
and Trustee in the presence
of:

)
) 
)
)

GRANT WILLIAM NELSON



Witness Signature

JULIE SQUIRE

Witness Name

RESEARCHER.

Witness Occupation

CHRISTCHURCH

Town/City of Residence

SIGNED by the said **MARILYN ANN
NELSON** as Trustee in the
presence of:

)
)
)
)



MARILYN ANN NELSON



Witness Signature

JULIE SQUIRE

Witness Name

RESEARCHER.

Witness Occupation

CHRISTCHURCH

Town/City of Residence