



Trustees Executors Limited Board Charter

Version: 5.0

Last Updated: February 2022

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1. Purpose of this Charter

- 1.1 This Charter sets out the authority, responsibilities, membership and operation of the Board of Trustees Executors Limited (TEL) and its subsidiaries (together the TEL Group), adopting principles of good corporate governance and practice.

2. Introduction

- 2.1 The Board is committed to promoting the long-term sustainability and prosperity of TEL and the TEL Group for the benefit of all its stakeholders.
- 2.2 TEL's service offering includes licenced supervisory appointments, estate management, trustee roles, legal, financial and taxation advice, personal investment advice, licenced Discretionary Investment Management Services (DIMS), asset management, superannuation trustee and administration services, and other fiduciary services.
- 2.3 The Board, in carrying out its functions, will at all times act honestly, fairly and with integrity and will take into account the interests of all the stakeholders of the TEL Group.
- 2.4 As a trustee company, TEL is committed with utmost priority to the sound and prudent management of its business operations and to fulfilling its fiduciary, regulatory, statutory and other obligations to its stakeholders.

3. Authority

- 3.1 The Board's powers, obligations and responsibilities derive primarily from the Companies Act 1993, the TEL Constitution, trust deeds and constitutions of entities for which TEL acts as trustee or supervisor, and the following acts and regulations:
- 3.1.1 Administration Act 1969
 - 3.1.2 Anti-Money Laundering and Countering Financing of Terrorism Act 2013
 - 3.1.3 Care of Children Act 2004
 - 3.1.4 Charitable Trusts Act 1957
 - 3.1.5 Charities Act 2005
 - 3.1.6 Commerce Act 1986
 - 3.1.7 Companies Act 1993
 - 3.1.8 Corporations (Investigation and Management) Act 1989
 - 3.1.9 Credit Contracts and Consumer Finance Act 2003
 - 3.1.10 Electronic Transactions Act 2002
 - 3.1.11 Employment Relations Act 2000
 - 3.1.12 Family Protection Act 1955
 - 3.1.13 Fair Trading Act 1986
 - 3.1.14 Financial Markets Conduct Act 2013, and Financial Markets Conduct Regulations 2014

- 3.1.15 Financial Markets Supervisors Act 2011, and Financial Markets Supervisors Regulations 2014
- 3.1.16 Financial Reporting Act 2013
- 3.1.17 Financial Services Legislation Amendment Act 2019
- 3.1.18 Financial Service Providers (Registration and Dispute Resolution) Act 2008 and Financial Service Providers (Registration) Regulations 2020
- 3.1.19 Financial Transactions Reporting (Prescribed Amount) Regulations 2010
- 3.1.20 Goods and Services Tax Act 1985
- 3.1.21 Health and Safety at Work Act 2015
- 3.1.22 Holidays Act 2003
- 3.1.23 Income Tax Act 2007
- 3.1.24 Insolvency Act 2006
- 3.1.25 KiwiSaver Act 2006
- 3.1.26 Land Transfer Act 2017
- 3.1.27 Nonbank Deposit Takers Act 2013
- 3.1.28 Overseas Investment Act 2005
- 3.1.29 Perpetuities Act 1964
- 3.1.30 Privacy Act 2020
- 3.1.31 Protected Disclosures Act 2000
- 3.1.32 Protection of Personal and Property Rights Act 1988 and Protection of Personal and Property Rights (Enduring Powers of Attorney Forms and Prescribed Information Regulations 2008)
- 3.1.33 Residential Tenancies Act 1986
- 3.1.34 Retirement Villages Act 2003
- 3.1.35 Secret Commissions Act 1910
- 3.1.36 Tax Administration Act 1994
- 3.1.37 Taxation (Residential Land Withholding Tax GST on Online Services and Student Loans) Act 2016
- 3.1.38 Trusts Act 2019
- 3.1.39 Trustee Companies (Group Investment Funds Disclosure of Expenses and Management Fees) Regulations 2003
- 3.1.40 Trustee Companies Act 1967
- 3.1.41 Trustee Companies Management Act 1975
- 3.1.42 Trustees Executors Limited Act 2002
- 3.1.43 Wills Act 2007.
- 3.2 In addition to the primary Acts listed there may be other legislative instruments (such as Regulations, Notices and Commencement Orders) that affects TE or its clients.

4. Role of the Board

- 4.1 The role of the Board is to effectively represent and promote the interests of the TEL Group with a view to adding long-term value to the TEL Group. Having regard to its role, the Board will direct and supervise the management of the business and affairs of the TEL Group including, in particular:
 - 4.1.1 monitoring the effectiveness and implementation of the overall strategy of the TEL Group in promoting and pursuing the Group's purposes
 - 4.1.2 assessing the operating and financial conditions of the TEL Group and obtaining the necessary comfort that the TEL Group always remains solvent and profitable; and
 - 4.1.3 overseeing and monitoring the performance of the TEL's Group's business operations.

5. Responsibilities of the Board

In the normal course of events, day-to-day management of TEL will be in the hands of management.

The Board has reserved the following powers, obligations and responsibilities for itself, the 'Corporate Trustee Services Board', a 'local' board established pursuant to the Trustees Companies Act 1967, (CTS Board) or Board committees (eg: the Audit, Risk & Compliance Committee (ARCC):

5.1 Strategy

- 5.1.1 Ensuring that TEL's annual goals are clearly established, and strategies are in place for achieving them (such strategies being expected to originate, in the first instance, from the Chief Executive Officer (CEO) and Group Leadership Team (GLT), and ensuring that management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital
- 5.1.2 The review, adoption and monitoring of annual business plans and budgets covering the short-term direction and financial performance of TEL and overseeing those matters in relation to the Group.

5.2 Financial and Capital Management, and Approval of Accounts

- 5.2.1 Deciding on whatever steps are necessary to protect TEL's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken
- 5.2.2 Overseeing, reviewing and approving annual financial reports
- 5.2.3 Ensuring TEL's financial statements are true and fair and otherwise conform with all applicable law
- 5.2.4 Approving the appointment of auditors
- 5.2.5 Monitoring and overseeing TEL's accounting and financial management systems

- 5.2.6 Reviewing, approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures and material commitments
- 5.2.7 Approving decisions affecting the capital of TEL, including capital structure or restructure; and major transactions such as business acquisitions and disposals
- 5.2.8 Monitoring capital management including sources of funding
- 5.2.9 Having ensured that adequate working capital remains in the business to meet all financial obligations and in consultation with the shareholder, determining the dividend policy of TEL, declaring dividends and approving distributions
- 5.2.10 Periodic review of management accounts, and monitoring of performance to budgets.

5.3 **Management Oversight, Performance and Remuneration Review, and Succession Planning**

- 5.3.1 Annually reviewing and monitoring the performance of the CEO, and make recommendations to the Shareholders in relation to this
- 5.3.2 Make recommendations to the Shareholders on the selection, appointment removal, and planning the succession of the CEO
- 5.3.3 Ensuring the remuneration and performance of the CTS Board is reviewed and assessed on a regular and ongoing basis
- 5.3.4 Approving the proposed appointment of directors to Boards of subsidiaries to fill a vacancy or as additional Directors
- 5.3.5 Providing advice and counsel to the CEO and the GLT
- 5.3.6 Ensuring that the GLT supplies the Board with appropriate information to help the Board discharge its duties, and
- 5.3.7 Monitoring and reviewing GLT succession planning and diversity.

5.4 **Delegations**

- 5.4.1 Approving instruments of delegation of powers to the CEO (including withdrawing, suspending or varying any such delegated powers), and
- 5.4.2 Establishing and revoking delegated (and sub-delegated) authorities including to Board committees, the CTS Board and other bodies and/or persons (including GLT and other management) as determined necessary or appropriate.

5.5 **Shareholders**

The Board will use its best endeavours to familiarise itself with issues of concern to the Shareholders. The Board will:

- 5.5.1 Regularly evaluate economic, political, social and legal issues and any other relevant external matters that may influence or affect the development of the business or the interests of the Shareholders and, if thought appropriate, will take outside expert advice on these matters

- 5.5.2 Foster constructive relationships with the Shareholders
- 5.5.3 Facilitate the effective exercise of the Shareholders rights
- 5.5.4 Review, approve and monitor reporting to the Shareholders
- 5.5.5 Regularly communicate with the Shareholders
- 5.5.6 Monitoring the Board composition making recommendations:
 - Identifying and evaluating possible future Directors to the TEL Board; and
 - For the appointment or removal of Directors

Note: TEL's shareholders, in terms of the Constitution:

- may appoint or remove Directors
- shall appoint the Chairperson, and
- determine and authorise Directors' remuneration.

5.6 Other Stakeholders

The Board will use its best endeavours to familiarise itself with issues of concern to all relevant stakeholders. The Board recognises that TEL's long-term survival and prosperity are closely intertwined with the environments and markets within which it operates and the extent to which TEL is seen as a responsible corporate citizen.

- 5.6.1 Reviewing and monitoring reporting to, and fostering constructive relationships with, the TEL's regulators, and
- 5.6.2 Communicating non-financial reporting including relevant social, ethical and environmental factors and risk management, to stakeholders.

5.7 Ethics, Culture and Conduct

- 5.7.1 Establishing, maintaining, and biennially reviewing 'Codes of Conduct' to guide its Directors, and all employees in the practices necessary to maintain confidence in TEL's integrity
- 5.7.2 Actively promoting high ethical standards, responsible decision-making, TEL's 'Values and Behaviours' and leading by example to evidence a strong and consistent 'Tone from the Top'
- 5.7.3 Ensuring effective checks and balances are in place to support good conduct and address poor conduct
- 5.7.4 Establishing, encouraging and maintaining high levels of effective and transparent communication with stakeholders; including listening to customer needs and ensuring products and services are easily understood
- 5.7.5 Actively promoting the development of staff capability, knowledge, experience and competence, and
- 5.7.6 Establishing and monitoring the system of accountability for any unethical practices and ensuring it is actively eliminated if it arises.

5.8 **Compliance and risk management**

- 5.8.1 Monitoring compliance with regulatory, prudential, legal and ethical standards.
- 5.8.2 Maintaining and monitoring an appropriate risk management framework which identifies and manages financial, operational and business risks for TEL
- 5.8.3 Ensuring that TEL has implemented adequate systems of internal controls (including by overseeing the work of the boards of Subsidiaries) together with appropriate monitoring of compliance, risk and accountability systems and activities, and
- 5.8.4 Establishing, overseeing and regularly reviewing all written policies, processes, guidelines, Terms of Reference and codes governing compliance, risk oversight, and management of TEL.

5.9 **Health and Safety**

- 5.9.1 Establishing, maintaining and monitoring appropriate environmental, employment and occupational, health and safety policies for the TEL Group
- 5.9.2 Establishing, overseeing and regularly reviewing the effective management of TEL's health and safety risk framework, objectives, systems and policies
- 5.9.3 Establishing, overseeing and regularly reviewing appropriate targets for health and safety performance and assessing performance against such targets
- 5.9.4 Ensuring staff participation and input is actively sought and considered in health and safety matters
- 5.9.5 Monitoring TEL's compliance with health and safety policies and relevant applicable law

5.10 **Financial Markets Licences**

- 5.10.1 Obtaining and maintaining appropriate financial markets licences for TEL's business
- 5.10.2 Establishing, overseeing and regularly reviewing the effective management of TEL's licensing requirements
- 5.10.3 Monitoring the Company's compliance with financial industry applicable legislation and any applicable guidance notes from the Financial Markets Authority
- 5.10.4 Approving the appointment and retirement of TEL as supervisor or trustee.

6. Delegations

6.1 Board Committees

6.1.1 Board committees will be formed only when it is efficient or necessary to facilitate efficient decision-making. Board committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise. Board committees will only speak or act for the Board when so authorised. The authority conferred on a Board committee will not derogate from the authority delegated to the CEO

6.1.2 The Board ensures that all Board committees or local boards have Terms of Reference which clearly specify the formal delegated authority, membership requirements and responsibilities, and that regular reporting and review mechanisms are in place

6.1.3 Committee and local Board Terms of Reference will be reviewed and approved by the Board annually

6.1.4 In particular, the Board must ensure that only a Director of the Board is appointed as Chair of a Board committee

6.1.5 The Board has established one Board Committee and one local board (to oversee the day the day operations of the Company's Corporate Trustee Services) to assist in carrying out its responsibilities as follows:

- ARCC
- CTS Services Board.

6.1.6 The purpose and membership of the standing committees are as follows:

The *Audit, Risk & Compliance Committee* consists of at least three members of which one must be an Independent member. The ARCC provides a forum for the effective communication between the Board and the external and internal auditors. The ARCC reviews the annual and half-yearly financial statements prior to their approval by the Board, the effectiveness of management information systems and systems of internal control, and the efficiency and effectiveness of the external and internal audit functions. The Chair of the Board should **not** be the Chair of the ARCC.

6.1.7 The Board will also review the performance of each committee and the CTS Board annually. Notwithstanding the above, the Board remains responsible for the delegated activities of, and the impact of any decision made for TEL by a committee or the CTS Board.

6.2 Chief Executive Officer

6.2.1 The Board has delegated responsibilities relating to the day-to-day management of TEL's business to the CEO that are not reserved to the Board in accordance with TEL's Constitution nor the Companies Act 1993 which for the avoidance of doubt includes the power to further delegate those functions and powers.

6.2.2 The delegated responsibilities include:

- 6.2.2.1 Directing and overseeing the development of TEL Group's strategic business plans, objectives, policies and programmes

- 6.2.2.2 Meeting specific corporate objectives and financial targets that have been set and agreed upon by the Board and/or the Shareholders
- 6.2.2.3 Periodically presenting business plans and analysis of progressive results to the Board
- 6.2.2.4 Reviewing budget projections, capital expenditure and financing and liquidity arrangements to ensure TEL has financial stability
- 6.2.2.5 Representing TEL in its relationships with stakeholders, including but not limited to regulators, shareholders, government, major customers, bankers, service providers, professional and industry associations
- 6.2.2.6 Reviewing and recommending the approval of the appointment, employment, transfer or termination of all direct reports of the CEO
- 6.2.2.7 Sub-delegating matters that have been delegated to the CEO to other persons and/or bodies (including to committees or GLT)
- 6.2.2.8 Any other matters the Board delegates to the CEO from time to time.

7. Role of the Chair

- 7.1 The Chair is a Non-Executive Director and is not the Chief Executive Officer.
- 7.2 The Chair is responsible for:
 - 7.2.1 Representing the Board to the Shareholders
 - 7.2.2 Ensuring the integrity and effectiveness of the governance process of the Board
 - 7.2.3 Maintaining regular dialogue with the CEO over governance and performance matters and consulting with the remainder of the Board promptly over any matter that gives cause for major concern
 - 7.2.4 Encouraging and facilitating the leadership role of the Board as well as providing ongoing guidance and development to individual members of the Board
 - 7.2.5 Overseeing that membership of the Board is skilled and appropriate to TEL's needs
 - 7.2.6 Fostering a constructive governance culture and apply appropriate governance principles among Directors and with GLT and other management.
 - 7.2.7 Facilitating and directing Board meetings to ensure proper alignment with TEL's conduct, culture, objectives and strategic plans
 - 7.2.8 Ensuring the functions of the Board are carried out effectively and efficiently to a satisfactory standard
 - 7.2.9 Fostering and developing sound relationships between the Board and the CEO, and

- 7.2.10 Ensuring that the Board reviews its own performance annually.
- 7.3 The Shareholders will be responsible for the performance evaluation of the Chair after having canvassed the views of the other Directors.
- 7.4 The Chair will act as facilitator at meetings of the Board to ensure that no member, whether Independent, Executive or non-Executive, dominates discussion, that appropriate discussion takes place and that relevant opinion among members is forthcoming and remains on-topic with strategic plans. The Chair will ensure that discussions result in logical and understandable outcomes.

8. Role of the Company Secretary

- 8.1 The appointment of the Company Secretary is made on the recommendation of the CEO, and must be approved by the Chair. The Company Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.
- 8.2 All members, particularly the Chair, have access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business.
- 8.3 The Company Secretary is accountable to the Board, through the Chair, on all matters concerning the proper functioning of the Board.

9. Independence of Directors

- 9.1 Directors are expected to bring independent views and judgment to Board deliberations. An Independent Director must be independent of management and able to exercise unfettered and independent judgment, free of any business or other relationship that could materially interfere with the exercise of the Director's ability to act in the best interests of the company.
- 9.2 Factors that may impact Director's independence are:
 - 9.2.1 Recent employment in an executive capacity at TEL or any of its Subsidiaries
 - 9.2.2 Having held a senior role in a provider of material professional services to TEL or any of its Subsidiaries
 - 9.2.3 A recent or current material business or contractual relationship (eg: supplier or customer) with TEL or any of its Subsidiaries
 - 9.2.4 Having close family ties with any person who falls within the above categories
 - 9.2.5 Having been a Director of TEL for such a period that the Director's independence may have been compromised
 - 9.2.6 Representation of a substantial shareholder or other key shareholder where the Board is not satisfied the Director has no other direct or

indirect interest or relationship that could reasonably influence his or her judgment and decision-making.

- 9.3 A register of Directors' material interests is maintained and is regularly updated. Directors are responsible for notifying the Company Secretary and copying the Chair about any change and/or new interests.

10. Board Composition and size

- 10.1 The composition of the Board will reflect the duties and responsibilities it is to discharge and perform as representative of the interests of shareholders, and in setting TEL's strategy and seeing that it is implemented. Generally, the qualifications for Board membership are the ability and intelligence to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of shareholder value, the ability to see the wider picture, the ability to ask the hard questions, preferably some experience in the industry sector, high ethical standards, sound practical sense, and a total commitment to furthering the interests of shareholders and the achievement of TEL's goals.
- 10.2 Non-Executive members will be active in areas which enable them to relate to the strategies of TEL and to make a meaningful contribution to the Board's deliberations.
- 10.3 The size of the Board will be such that the common purpose, involvement, participation, harmony and sense of responsibility of the members are not jeopardised. It must be large enough to ensure a range of knowledge, views and experience.
- 10.4 Subject to any limitations imposed by shareholders, it is anticipated that non-Executive members will hold office initially for three years following their first appointment (or, if appointed by the Board between annual meetings, from the date of the meeting next following the appointment)
- 10.5 The Board's composition and size is subject to the provisions of the Company's Constitution; and will be driven by the following principles:
- 10.5.1 The Board will be of an appropriate size to allow efficient decision-making. There will be no fewer than three Directors
- 10.5.2 The Chair of the Board should be a non-Executive Director
- 10.5.3 Only in exceptional circumstances should the CEO go on to become the Chair
- 10.5.4 The Board should comprise of a balance of Independent and shareholder-representative Directors, with at least one Independent non-Executive Directors
- 10.5.5 The Board must ensure that the Directors, CEO and GLT, collectively, have the full range of skills needed for the effective and prudent operation of the business of TEL, and that each Director has skills that allow them to make an effective contribution to Board deliberations and processes. This includes the requirement for Directors, collectively, to have the necessary skills, knowledge and experience to understand the risks of TEL's business operations, including its legal and prudential obligations

- 10.5.6 Board performance reviews will be conducted annually, alternating between a comprehensive review, and a lighter evaluation process.
- 10.5.7 Executive Directors attend Board meetings to discharge their Board responsibilities. At Board meetings, Board responsibilities supersede all Executive responsibilities.

11. Induction of new members

- 11.1 On their first appointment, non-Executive Directors will have the benefit of an induction programme aimed at deepening their understanding of TEL and the business and the environment and markets in which TEL operates. As part of the programme, members will access to essential Board and TEL information and will meet key management. Non-Executive Directors are expected to keep themselves abreast of changes and trends in the business and in TEL's environment and markets and to keep abreast of changes and trends in the economic, political, social and legal climate generally.

12. Appointment and ongoing training of Directors

- 12.1 Directors are appointed by the Shareholders in accordance with the TEL Constitution.
- 12.2 The process of selection and appointment of new Directors to the Board shall ensure that any nominee is a fit and proper person for the role, in accordance with TEL's 'Fit and Proper Policy'.
- 12.3 Directors will be expected to participate in any induction or orientation programme on appointment, continuing education, training and an annual evaluation of the Board and its processes.

13. Conduct of individual Directors

- 13.1 Directors will use their best endeavours to attend Board meetings and to prepare thoroughly. Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board table. Directors unable to attend a meeting will advise the Chair at the earliest date possible and confirm in writing to the Company Secretary.
- 13.2 Directors must at all times act in accordance with legal and statutory requirements and discharge all duties as Directors. Directors must:
 - 13.2.1 Discharge their duties in good faith and in the best interests of TEL and for a proper purpose
 - 13.2.2 Act with care and diligence, demonstrate commercial reasonableness in their decision-making and act with the level of skill and care expected of a Director of a regulated company
 - 13.2.3 Comply with TEL's requirements in respect of making regular 'Disclosures of Interest
 - 13.2.4 Commit the time necessary to effectively discharge their role as Director
 - 13.2.5 Not make improper use of information gained through their position as a Director

- 13.2.6 Not take improper advantage of their position as a Director
- 13.2.7 Notify other Directors of a material personal interest when a conflict arises and comply with the provisions of the Constitution in respect of managing that conflict
- 13.2.8 Make reasonable enquiries if relying on information or advice provided by others
- 13.2.9 Provide all information required by legislation or reasonably required of them, and
- 13.2.10 Comply with its statutory duties under the Companies Act 1993 and its other legal and regulatory duties.

14. Conflicts

- 14.1 Directors are expected to avoid any actual or perceived situation, action, position or interest that conflicts with an interest of TEL or conflicts with his/her duties as a Director of TEL.
- 14.2 A Director who has a material personal interest in a matter that relates to the affairs of the TEL Group must give the other Directors of the Company notice of such interest.
- 14.3 At each Board meeting, Directors are required to disclose any matters that may give rise to a potential or actual conflict of interest or duty in relation to the business being considered by the Board and any other conflict of interest or duty as required by the TEL 'Conflicts of Interest Policy'.

15. Board process

15.1 Meetings

- 15.1.1 Board discussions will be open and constructive, recognising that genuinely-held differences of opinion can, in such circumstances, bring greater clarity and lead to better decisions. The Chair will, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law
- 15.1.2 All Board meetings will be conducted in accordance with the Constitution and the Companies Act 1993
- 15.1.3 The Board will meet a minimum of four times a year, and will hold additional meetings as the occasion required
- 15.1.4 Prior to each meeting, all available information in connection with the business to be discussed shall be provided to each Director
- 15.1.5 At each Board meeting, Directors are required to disclose any matters that may give rise to a potential or actual conflict of interest or duty in relation to the business being considered by the Board. Any matters that are declared by a Director are to be recorded
- 15.1.6 Directors are committed to collective decision-making, but have a duty to question and raise issues of concern to them. Matters are to be debated

openly and constructively amongst the Directors and, as appropriate, management, with due respect given to each person's point of view. Individual Directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings

- 15.1.7 Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed. Members are expected to strictly observe the provisions of the Act applicable to the use and confidentiality of company information
- 15.1.8 The Board may periodically meet without the CEO or management present
- 15.1.9 The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable
- 15.1.10 The Board may conduct meetings by telephone or video conference
- 15.1.11 At each normal meeting the Board's Interests Register will be updated as necessary and the Board will consider:
- 15.1.12 An operational report from the CEO
- 15.1.13 A report from the CFO
- 15.1.14 Reports on their activities from TEL's individual business units
- 15.1.15 Specific proposals for capital expenditure and acquisitions
- 15.1.16 Major issues and opportunities for TEL
- 15.1.17 In addition, the Board will, at intervals of not more than one year:
 - 15.1.17.1 Review TEL's goals
 - 15.1.17.2 Review the strategies and operating plans for achieving TEL's goals
 - 15.1.17.3 Approve the annual budget
 - 15.1.17.4 Approve the annual and half-yearly financial statements, reports to shareholders and public announcements
 - 15.1.17.5 Consider and, if appropriate, declare or recommend the payment of dividends
 - 15.1.17.6 Review the Board composition, structure and succession
 - 15.1.17.7 Review TEL's audit requirements
 - 15.1.17.8 Review the performance and composition of, and necessity for Board committees
 - 15.1.17.9 Undertake Board and individual Director evaluations.
 - 15.1.17.10 Review remuneration policies and practices in general including incentive schemes for the GLT
 - 15.1.17.11 Review risk assessment policies and controls including insurance covers and compliance with legal and regulatory requirements.
 - 15.1.17.12 Review shareholder, customer and supplier relations.
 - 15.1.17.13 Approve the following year's Board work plan.
- 15.1.18 Board members are entitled to have access, at all reasonable times, to all relevant company information and to management.

15.1.19 With the exception of an emergency, no less than 72 hours shall pass between the distribution of a Board paper, and the meeting at which it will be discussed.

15.2 **Agenda**

15.2.1 The Board has sole authority over its agenda and exercises this through the Chair. Any member may, through the Chair, request the addition of an item to the agenda. The agenda will be set by the Chair in consultation with the CEO and the Company Secretary.

15.3 **Quorum**

15.3.1 Three members of the Board shall form a quorum, subject to the requirements that:

15.3.1.1 one of the Directors present is a Shareholder's representative and

15.3.1.2 the majority of the Directors present are Independent.

15.4 **Board and member evaluations**

15.4.1 The Board will, annually, critically evaluate its own performance, and its own processes and procedures to ensure that they are not unduly complex and are designed to assist the Board in effectively fulfilling its role

15.4.2 Biennially, individual members will be evaluated by a process whereby the Board determines questions to be asked of each member about themselves and about each other including the Chair

15.4.3 Each member answers the questions in writing, and the responses are collected and collated by the Chair who then discusses the results with each member

15.4.4 The Chair's own position is discussed with the Shareholders.

16. **Board/Management Relationship**

16.1 **Position of CEO**

16.1.1 The Board will link TEL's governance and management functions through the CEO. All Board authority conferred on management is delegated through the CEO so that the authority and accountability of management is considered to be the authority and accountability of the CEO so far as the Board is concerned

16.1.2 The Board will agree with the CEO to achieve specific results directed towards TEL's goals. This will usually take the form of an annual performance contract under which the CEO is authorised to make any decision and take any action within the management limitations, directed at achieving TEL's goals

16.1.3 Between Board meetings the Chair shall maintain an informal link between the Board and the CEO, and shall be kept informed by the CEO on

all important matters, and is available to the CEO to provide counsel and advice where appropriate

- 16.1.4 Only decisions of the Board acting as a body are binding on the CEO. Decisions or instructions of individual members, officers or committees should not be given to the CEO and are not binding in any event except in those instances where specific authorisation is given by the Board.

16.2 **Accountability of CEO to Board**

- 16.2.1 The CEO, in association with the Chair, is accountable to the Board for the achievement of TEL's goals and the CEO is accountable for the observance of the management limitations. At each of its normal meetings the Board should expect to receive from or through the CEO:

16.2.2 the operational and other reports and proposals referred to above; and

16.2.3 such assurances as the Board considers necessary to confirm that the management limitations are being observed.

16.3 **Management limitations**

- 16.3.1 The CEO is expected to act within all specific authorities delegated to them by the Board. The CEO is expected to not cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics. In allocating the capital and resources of TEL the CEO is expected to adhere to TEL's goals. The CEO is expected to not cause or permit any action without taking into account the health, safety, environmental and political consequences and their effect on long-term shareholder value

16.3.2 In financing TEL, the CEO is expected to not cause or permit any action that is likely to result in TEL becoming financially embarrassed. The assets of TEL are expected to be adequately maintained and protected, and not unnecessarily placed at risk. In particular, TEL must be operated with a comprehensive system of internal control, and assets or funds must not be received, processed or disbursed without controls that, as a minimum, are sufficient to meet standards acceptable to TEL's external auditors

16.3.3 In managing the risks of TEL, the CEO is expected to not cause or permit anyone to substitute their own risk preferences for those of the Shareholders (for example, as expressed through a Board-approved risk management plan). The CEO is expected to not permit employees and other parties working for the company to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.

17. **Independent professional advice**

17.1 Any Board member is entitled to obtain independent professional advice relating to the affairs of TEL or to their other responsibilities as a Board member. If a Board member considers such advice is necessary, they shall first discuss it with the Chair and, having done so, shall be free to proceed.

17.2 Subject to the prior approval of the Chair, the cost of the advice will be reimbursed by TEL, but the Board member will ensure, so far as is

practicable, that the cost is reasonable. Generally, this advice will be available to all Directors.

18. Provision of business or professional services by members

- 18.1 Because a conflict of interest (actual or perceived) may be created, Directors should not, generally, provide business or professional services of an ongoing nature to the TEL Group.
- 18.2 Notwithstanding the general rule, TEL is at liberty to, for the purpose of a special assignment, engage the services of any Director having special expertise in the particular field or engage the services of another member of a Director's organisation, so long as the terms of engagement are competitive, clearly recorded and all legal requirements for disclosure of the engagement are properly observed.

19. Other Board appointments

- 19.1 Any member is, while holding office, at liberty to accept other Board appointments so long as the appointment is not in conflict with the business and does not detrimentally affect their performance as a member of the Board.
- 19.2 All other appointments must first be discussed with the Chair before being accepted.

20. Indemnities and insurance

- 20.1 Subject to the TEL Constitution, TEL will provide members with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as members, to the fullest extent permitted by the Companies Act.

21. Access to management

- 21.1 The Directors have complete and open access to management, through the CEO.

22. Charter Review

- 22.1 The Charter shall be reviewed by the Board on an annual basis. This Charter supersedes any Charter previously in force.

Approved by the Board on 24 February 2022