



Trustees Executors Limited Board Charter

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1.	Purpose of this Charter	4
2.	Introduction	4
3.	Authority	4
4.	Role of the Board	4
5.	Responsibilities of the Board	5
5.1	Strategy	5
5.2	Financial and Capital Management, and Approval of Accounts.....	5
5.3	Management Oversight, Performance and Remuneration Review, and Succession Planning	6
5.4	Delegations	6
5.5	Shareholders	6
5.6	Other Stakeholders	7
5.7	Ethics, Culture and Conduct	7
5.8	Compliance and risk management	8
5.9	Health and Safety	8
5.10	Financial Markets Licenses	8
6.	Delegations	9
6.1	Board Committees	9
6.2	Chief Executive Officer	9
7.	Role of the Chair	10
8.	Role of the Company Secretary	11
9.	Independence of Directors	11
10.	Board Composition and size	12
11.	Induction of new members	13
12.	Appointment and ongoing training of Directors	13
13.	Conduct of individual Directors	13
14.	Conflicts	14
15.	Board process	14
15.1	Meetings	14
15.2	Agenda	16
15.3	Quorum	16
15.4	Board and member evaluations	16

16.	Board/Management Relationship.....	16
16.1	Position of CEO	16
16.2	Accountability of CEO to Board.....	17
16.3	Management limitations	17
17.	Independent professional advice.....	18
18.	Provision of business or professional services by members	18
19.	Other Board appointments	18
20.	Indemnities and insurance	18
21.	Access to management.....	18
22.	Charter Review	18

1. Purpose of this Charter

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

2. Introduction

- 2.1 The TEL 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 The TEL Group's service offering includes licensed supervisory appointments, estate management, trustee roles, legal, financial and taxation advice, personal investment advice, licensed Discretionary Investment Management Services, 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 different stakeholders of the Company and the 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 clients.

3. Authority

- 3.1 The Board's powers derive primarily from the Companies Act 1993, the Company's Constitution, trust deeds and constitutions of entities for which the Company acts as trustee or supervisor, and the following Acts:
- 3.1.1 Anti-Money Laundering and Countering Financing of Terrorism Act 2013
 - 3.1.2 Financial Markets Conduct Act 2013, and Financial Markets Conduct Regulations 2014
 - 3.1.3 Financial Markets Supervisors Act 2011, and Financial Markets Supervisors Regulations 2014
 - 3.1.4 Financial Reporting Act 2013
 - 3.1.5 Financial Transactions Reporting (Prescribed Amount) Regulations 1996
 - 3.1.6 Health and Safety at Work Act 2015
 - 3.1.7 Privacy Act 1993
 - 3.1.8 Trustee Act 1956/Trusts Act 2019 (transition period from former to latter to 30 January 2021)
 - 3.1.9 Trustee Companies Act 1967
 - 3.1.10 Trustee Companies Management Act 1975
 - 3.1.11 Trustees Executors Limited Act 2002.

4. Role of the Board

- 4.1 The role of the Board is to effectively represent, and promote the interests of the company with a view to adding long-term value to the company. Having

regard to its role the Board will direct, and supervise the management of, the business and affairs of the company including, in particular:

- 4.1.1 monitoring the effectiveness and implementation of the overall strategy of TEL and the Group in promoting and pursuing the Group's purposes
- 4.1.2 assessing the operating and financial conditions of the Company and the Group and obtaining the necessary comfort that the Company remains solvent and profitable at all times; and
- 4.1.3 overseeing and monitoring the performance of TEL's and the Group's business operations.

5. Responsibilities of the Board

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

The Board has reserved the following powers for itself, the Corporate Trustee Services Board (Local Board) or Board Committees (eg: the Audit, Risk & Compliance Committee):

5.1 Strategy

- 5.1.1 Ensuring that the company goals are clearly established, and strategies are in place for achieving them (such strategies being expected to originate, in the first instance, from management)
- 5.1.2 The review and adoption of annual business plans and budgets covering the short-term direction and financial performance of the Company and overseeing those matters in relation to the Company's subsidiaries
- 5.1.3 Monitoring progress of strategic and business plans and operating results
- 5.1.4 Establishing policies for strengthening the performance of the Company including ensuring that management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital.

5.2 Financial and Capital Management, and Approval of Accounts

- 5.2.1 Deciding on whatever steps are necessary to protect the Company'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 the Company's financial statements are true and fair and otherwise conform with law
- 5.2.4 Approving the appointment of Auditors
- 5.2.5 Monitoring and overseeing the Company'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 the Company, 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 In consultation with the shareholder, determining the dividend policy of the Company, declaring dividends and approving distributions, once the Board has ensured that adequate working capital remains in the business to meet its financial obligations
- 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 Reviewing and monitoring the performance of the Chief Executive Officer
- 5.3.2 Ensuring the remuneration and performance of the CTS Board is reviewed and assessed on a regular and ongoing basis
- 5.3.3 Approving the proposed appointment of Directors to subsidiary company Boards to fill a vacancy or as additional Directors
- 5.3.4 Providing advice and counsel to management
- 5.3.5 Ensuring that Group Leadership Team (GLT) supplies the Board with appropriate information to help the Board discharge its duties, and
- 5.3.6 Monitoring and reviewing GLT succession planning and diversity.

5.4 **Delegations**

- 5.4.1 Approving instruments of delegation of powers to the Chief Executive Officer (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 Corporate Trustee Services Board and other bodies and/or persons (including management) as determined necessary or appropriate.

5.5 **Shareholders**

The Board will use its best endeavours to familiarise itself with issues of concern to 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 shareholders and, if thought appropriate, will take outside expert advice on these matters
- 5.5.2 Foster constructive relationships with shareholders
- 5.5.3 Facilitate the effective exercise of shareholders' rights

- 5.5.4 Review, approve and monitor reporting to shareholders
- 5.5.5 Call meetings of shareholders
- 5.5.6 Monitor the performance of the Chief Executive Officer, and make recommendations to the shareholder in relation to this
- 5.5.7 Make recommendations to the shareholder on the selection, appointment, and removal and planning the succession of the Chief Executive Officer
- 5.5.8 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: The Company's Shareholder, in terms of the Constitution:

- a) may appoint or remove Directors
- b) shall appoint the Chairperson, and
- c) 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 the Company's long-term survival and prosperity are closely intertwined with the environments and markets within which it operates and the extent to which the Company is seen as a responsible corporate citizen.

- 5.6.1 Establishing and monitoring policies governing the Company's relationship with other stakeholders and the broader community
- 5.6.2 Establishing, maintaining and monitoring appropriate environmental, employment and occupational, health and safety policies
- 5.6.3 Reviewing and monitoring reporting to, and fostering constructive relationships with, the Company's regulators; and
- 5.6.4 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 and maintaining Codes of Conduct to guide its Directors, and all employees in the practices necessary to maintain confidence in the Group's integrity
- 5.7.2 Actively promoting high ethical standards, responsible decision-making, the Company'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 the Company and the Group
- 5.8.3 Ensuring that the Company and the Group has implemented adequate systems of internal controls (including by overseeing the work of the Boards of subsidiaries of the Company) together with appropriate monitoring of compliance, risk and accountability systems and activities, and
- 5.8.4 Establishing, overseeing and regularly reviewing written policies and codes governing compliance, risk oversight, and management of the Company and/or the Group.

5.9 Health and Safety

- 5.9.1 Establishing, overseeing and regularly reviewing the effective management of the Company's health and safety risk framework, objectives, systems and policies
- 5.9.2 Establishing, overseeing and regularly reviewing appropriate targets for health and safety performance and assessing performance against such targets
- 5.9.3 Ensuring staff participation and input is actively sought and considered in health and safety matters
- 5.9.4 Monitoring the Company's compliance with health and safety polices and relevant applicable law
- 5.9.5 Considering and monitoring any health and safety obligations the Company may have as a trustee and/or supervisor.

5.10 Financial Markets Licenses

- 5.10.1 Obtaining and maintaining appropriate financial markets licenses for the Company's business
- 5.10.2 Establishing, overseeing and regularly reviewing the effective management of the Company's licensing requirements
- 5.10.3 Monitoring the Company's compliance with financial industry applicable legislation and Guidance Notes from the Financial Markets Authority
- 5.10.4 Overseeing the licensing reporting required to the Financial Markets Authority
- 5.10.5 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 (“Committee” or “Committees”) 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 In particular, the Board must ensure that only a Director of the Board is appointed as Chair of a Board Committee
- 6.1.4 The Board has established one Board Committee and one local board (the latter established pursuant to Sections 20 and 21 of the Trustee Companies Act 1967 to oversee the day to day operations of the Company’s Corporate Trustee Services) to assist in carrying out its responsibilities as follows:
- a) Audit, Risk & Compliance Committee
 - b) Corporate Trustee Services Board.
- 6.1.5 The purposes 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 Committee provides a forum for the effective communication between the Board and the external and internal auditors. The Committee 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 Audit, Risk & Compliance Committee.
- 6.1.6 The Board may constitute other special purpose committees from time to time to assist the Board in exercising its authority
- 6.1.7 Committee Terms of Reference will be regularly reviewed and approved by the Board annually
- 6.1.8 The Board will also review the performance of each Committee at least biennially. Notwithstanding the above, the Board remains responsible for the delegated activities of, and the impact of any decision made for TEL by a Committee.

6.2 Chief Executive Officer

- 6.2.1 The Board has delegated responsibilities relating to the day-to-day management of the Company’s businesses to the Chief Executive

Officer that are not reserved to the Board in accordance with the Company'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:

- a) Directing and overseeing the development of the Company's and the Group's strategic business plans, objectives, policies and programmes
- b) Meeting specific corporate objectives and financial targets that have been set and agreed upon by the Board and/or Shareholder
- c) Periodically presenting business plans and analysis of progressive results to the Board
- d) Reviewing budget projections, capital expenditure and financing and liquidity arrangements to ensure the Company has financial stability
- e) Representing the Company in its relationships with stakeholders, including but not limited to regulators, shareholders, government, major customers, bankers, service providers, professional and industry associations
- f) Reviewing and recommending the approval of the appointment, employment, transfer or termination of all direct reports of the CEO
- g) Sub-delegating matters that have been delegated to the Chief Executive Officer to other persons and/or bodies (including to Committees or management), and
- h) Any other matters the Board delegates to the Chief Executive Officer 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 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 the Company's needs
- 7.2.6 fostering a constructive governance culture and apply appropriate governance principles among Directors and with management

- 7.2.7 facilitating and directing Board meetings to ensure proper alignment with the Company'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, the Chief Executive Officer, and
 - 7.2.10 ensuring that the Board regularly reviews its own performance.
- 7.3 The shareholder 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 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. 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 in the Company or any of its subsidiaries
 - 9.2.2 having held a senior role in a provider of material professional services to the entity or any of its subsidiaries
 - 9.2.3 a recent or current material business or contractual relationship (eg: supplier or customer) with the Company 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 the entity 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 the Company'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 the Company goals.
- 10.2 Non-executive members will be active in areas which enable them to relate to the strategies of the Company 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. Generally, the number of members will be between three and six of which the majority will be non-Executive.
- 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), subject to any obligation to retire by rotation in accordance with the Company's constitution.
- 10.5 The TEL 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 less 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 Chief Executive (or equivalent) go on to become the Chair of the Board
 - 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 and senior management of TEL, collectively, have the full range of skills needed for the effective and prudent operation of the business of TEL and the TEL Group, 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 the Company's and the Group's business operations, including its legal and prudential obligations

10.5.6 Board performance reviews will consist of both internal and, from time to time, external review mechanisms

10.5.7 The Board must also have processes to address Board succession and to ensure it has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively

10.5.8 Executive members 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 members will have the benefit of an induction programme aimed at deepening their understanding of the Company and the business and the environment and markets in which the Company operates. As part of the programme, members will access to essential Board and Company information and will meet key management. Members are expected to keep themselves abreast of changes and trends in the business and in the Company'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 Company's shareholders in accordance with the Company's 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 the Company'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 biennial evaluation of the Board and its processes, and an evaluation of individual members carried out by the Chair.

13. Conduct of individual Directors

13.1 Members will use their best endeavours to attend Board meetings and to prepare thoroughly. Members 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. Members 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:

a) Discharge their duties in good faith and in the best interests of the Company and for a proper purpose

b) 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

- c) Comply with the Company's requirements in respect of making regular Disclosures of Interest
- d) Commit the time necessary to effectively discharge their role as Director
- e) Not make improper use of information gained through their position as a Director
- f) Not take improper advantage of their position as a Director
- g) Notify other Directors of a material personal interest when a conflict arises and comply with the provisions of the Company's Constitution in respect of managing that conflict
- h) Make reasonable enquiries if relying on information or advice provided by others
- i) Provide all information required by legislation or reasonably required of them
- j) 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 the Company or conflicts with his/her duties as a Director of the Company.
- 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 Group 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 Company's Constitution and the Companies Act 1993
- 15.1.3 The Board will meet a minimum of four times a year including strategy or special meetings, and will hold additional meetings as the occasion requires
- 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 Chief Executive Officer 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:
 - a) an operational report from the CEO
 - b) a report from the CFO
 - c) reports on their activities from the company's individual business units
 - d) specific proposals for capital expenditure and acquisitions
 - e) major issues and opportunities for the company
- 15.1.12 In addition, the Board will, at intervals of not more than one year:
 - a) review the Company goals
 - b) review the strategies and operating plans for achieving the company goals
 - c) approve the annual budget
 - d) approve the annual and half-yearly financial statements, reports to shareholders and public announcements
 - e) consider and, if appropriate, declare or recommend the payment of dividends
 - f) review the Board composition, structure and succession
 - g) review the Company's audit requirements
 - h) review the performance and composition of, and necessity for Board Committees
 - i) undertake Board and individual Director evaluations
 - j) review remuneration policies and practices in general including superannuation and incentive schemes for management

- k) review risk assessment policies and controls including insurance covers and compliance with legal and regulatory requirements
- l) review the Company's Code of Conduct and ethical standards
- m) review shareholder, customer and supplier relations
- n) approve the following year's Board work plan

15.1.13 Board members are entitled to have access, at all reasonable times, to all relevant company information and to management.

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:

- a) one of the Directors present is the shareholder's representative and that
- b) another of the Directors present is an Independent Director.

15.4 **Board and member evaluations**

15.4.1 The Board will, each year, 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 Each year, 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 deputy chair and/or the rest of the Board.

16. **Board/Management Relationship**

16.1 **Position of CEO**

16.1.1 The Board will link the Company'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 the Company 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 the Company goals

- 16.1.3 Between Board meetings the Chair maintains an informal link between the Board and the CEO, expects to 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 the Company 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:
 - a) the operational and other reports and proposals referred to above
 - b) 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 the Company the CEO is expected to adhere to the Company 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 the Company, the CEO is expected to not cause or permit any action that is likely to result in the Company becoming financially embarrassed. The assets of the Company are expected to be adequately maintained and protected, and not unnecessarily placed at risk. In particular, the Company 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 the Company's external auditors
- 16.3.3 In managing the risks of the company, the CEO is expected to not cause or permit anyone to substitute their own risk preferences for those of the shareholders as a whole (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 the Company 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 the Company, but the Board member will ensure, so far as is practicable, that the cost is reasonable.
- 17.3 Following consultation with the Chair, Directors may seek independent professional advice at the Company's expense. 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 Company.
- 18.2 Notwithstanding the general rule, the Company 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 Company's constitution, the Company 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 Chief Executive Officer.

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 13 February 2020