



Board Charter

This charter is to be read in conjunction with the constitution of the company.

1. Board of Directors

The directors are elected by shareholders to represent all the shareholders. They are charged with the ultimate and overall responsibility for the company's business and affairs, the day-to-day management of which is delegated to the Group Chief Executive Officer. In making decisions regarding the business or affairs of the company, each director will consider the interests of all shareholders.

2. Good governance

Each of the directors and all the company's management are fully committed to the highest standards of corporate governance, which includes embracing the following principles:

- (a) to lay strong foundations for management and oversight;
 - (b) to operate the board in a manner that adds value;
 - (c) to promote ethical and responsible decision-making;
 - (d) to ensure integrity in financial reporting;
 - (e) to make timely and reasonable disclosure;
 - (f) to respect the rights of shareholders;
 - (g) to recognise and manage risk;
 - (h) to encourage enhanced performance;
 - (i) to remunerate and promote fairly and responsibly;
 - (j) to recognise the legitimate interests of all stakeholders; and
 - (k) to comply with all applicable laws, regulations and company policies.
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3. Composition of the Board

In addition to constitutional requirements, the board has agreed that the minimum number of independent directors shall be two.

The test of 'independence' will be governed by the requirements of the listing rules of any relevant stock exchange.

4. Board nominations

The Nominations Committee of the board will recommend to the board candidates to be considered for appointment as a director. To be eligible for selection, candidates must demonstrate appropriate qualities and experience. Directors will be selected based on a range of factors including the needs of the board at the time.

5. Induction and continuous education

The board will ensure that all new directors are appropriately introduced to management and the business of the company. All such directors will receive a full disclosure and compliance pack including relevant company policies and the constitution of the company. It is expected that all directors will continuously educate themselves to ensure that they may appropriately and effectively perform their duties. In addition, visits to specific company operations, when appropriate, and briefings from key executives and industry experts will be arranged.

6. Relationship between the Chair and the Group Chief Executive Officer

The board supports the concept of the separation of the role of Chair from that of the Group Chief Executive Officer (CEO). The Chair's role is to manage the board effectively, to provide leadership to the board and to be the interface with the company's Group CEO.

7. Board meetings

The board will normally meet at least **seven** times a year. The provisions of the constitution govern the regulation of the meetings and proceedings of the board of directors. To enable appropriate review of board materials, directors will generally be sent materials in advance of the board meetings. The content, presentation and delivery of papers to directors for each meeting will be in accordance with agreed guidelines.

8. Role of the Board

The board has the responsibility to take all appropriate steps to protect and enhance the value of the assets of the company, in the best interests of its shareholders. The board will ensure that at the heart of the organisation there is a culture of honesty, integrity and excellent performance. In that regard, the board will:

- (a) ensure that appropriate systems and processes are in place so that the business of the company is conducted in an honest, ethical, responsible and safe manner;
- (b) oversee the overall conduct of the company's business and ensure that the business is being properly managed;
- (c) ensure that adequate procedures are in place and in use to identify the principal risks of the company's business and that appropriate systems are implemented to manage these risks;
- (d) be actively engaged in directing and approving the strategic planning of the company, the approval of transactions relating to material acquisitions and divestments and the approving of capital expenditure above the authority limits delegated to management;
- (e) review and approve the corporate plan, financial and dividend policies and the operating budget, and review the overall performance against what has been approved;
- (f) ensure that adequate plans/procedures are in place for succession planning, including the appointment, training and monitoring of the Group CEO and the Group CEO's management team;
- (g) safeguard and enhance the image and reputation of the company.

9. Relationship with management

To enable the effective functioning of the day-to-day business of the company, the board has delegated certain of its powers to the Group CEO of the company. The Group CEO has, in turn, delegated some of those powers to management of the company. The board is responsible for monitoring those delegations.

Communication between the directors and management should be through the office of the Group CEO. When directors seek clarification regarding information provided to directors, or are seeking information about the company generally, this can be sought directly from the appropriate senior executive, but the Group CEO should also be advised.

10. Board committees

The board has established various committees to oversee certain aspects of the management of the Company. These committees are comprised of directors appointed by the board. The board appoints the Chairs of such committees. The current committees of the board are the:

- (a) Audit & Risk Committee
- (b) Investment Committee
- (c) Nominations Committee
- (d) Remuneration Committee

The tasks of committees generally include reviewing and assessing policies and strategies developed by management, which are within their terms of reference, and the performance of management in relation to them. Where appropriate, the committees will make recommendations to the full board. Committees are not to act or make decisions on behalf of the board unless specifically mandated by prior board authority to do so.

The Audit & Risk Committee shall meet at least three times per year. The Remuneration Committee will meet at least twice per year. The Nominations Committee will meet at least once per year. The Investment Committee will meet as required.

The minutes of each meeting of the committee are circulated to all directors. Each committee will have a charter, which is to be approved by the board.

From time to time the board may also establish ad hoc or special purpose committees to examine, or have the delegated authority to deal with, specific issues on behalf of the board.

11. Conflicts of interest

Each director will minimise the possibility of any conflict of interest about his/her involvement with the Company by restricting involvement in other businesses that would be likely to lead to a conflict of interest.

Where conflicts of interest do arise, directors will excuse themselves from the relevant discussions and, in accordance with the listing rules of any stock exchange on which the company is listed, will not exercise their right to vote in respect of such matters.



12. Professional advice to directors

A committee or individual director may, with the prior approval of the Chair of the board, engage professional advisers at the Company's expense to advise or assist them in carrying out their responsibilities.

13. Evaluation of performance

Directors will have their performance evaluated by their fellow directors and senior management as the Board considers appropriate, in a process co-ordinated by the Chair. Individual feedback will be given to each director as their evaluation is completed.

The board will conduct a performance review of the board as a whole at least biennially. Individual director views and the collated views of members of the senior management team, as the Board considers appropriate, will be sought on board process, efficiency and effectiveness, and discussed by the board.

14. Review

14.1 The Board reviews this Board Charter annually.

15. Publication

15.1 This Charter is available on the company website www.greencrosshealth.co.nz.