

<b>Policy owner</b>	Board of Directors, Delegat Group Limited
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<b>Applicability</b>	Delegat Group and its subsidiaries

## 1. ROLE OF THE BOARD

The role of the Board is to act in the best interests of the Company's shareholders and other stakeholders by undertaking its business activities in a manner (both ethically and honestly) that will add long-term value to the Company by:

### Strategic

- The approval and adoption of the long-term strategic plan developed by the Managing Director together with Senior Management;
- Regularly reviewing performance relative to the plan;
- Monitoring and assessing the external environment and its impact on the plan and performance of the Company;
- The review of the long-term strategic plan having regard to the foregoing assessment;
- Assessing that the Company is appropriately resourced to enable execution of the plan.

### Operational

- Selecting, and if necessary, replacing the Managing Director and setting an appropriate remuneration package and ensuring adequate succession for that position;
- Approving the appointment and where appropriate the removal of the Chief Financial Officer (CFO), and giving guidance on other senior management appointments proposed by the Managing Director and succession plans;
- Approving the appointment and where appropriate the removal of the Chief Executive Officer (CEO) should such a position be required or exist;
- Approving policies and practices and measurable objectives for achieving diversity;
- Approving and adopting the annual operational plan proposed by the Managing Director together with senior management and monitoring results against that plan on a regular basis;

- Determining that the Company has in place accurate, timely and reliable reporting systems, internal controls and compliance activities, and monitoring performance in each of these areas (including submissions by ‘whistle blowers’);
- Confirming that systems are in place which facilitate the effective identification, management and mitigation of any significant risks to which the Company is exposed.

### **Financial**

- Approving and adopting an annual budget for the financial performance of the Company and monitoring results on a regular basis;
- Oversight of the integrity of the Company’s risk management and compliance, accounting and reporting systems;
- Determining that the Company’s accounts conform to relevant accounting standards and provide shareholders with a true and fair representation of the Company’s financial position;
- Confirming the Company’s financial position is able to meet its financial obligations as they fall due;
- Approving dividend distributions;
- Ensuring that appropriate arrangements are in place for auditing the Company’s affairs and assets and the adequacy of the scope of the audit;
- Assessing the performance and independence of the auditors.

### **Governance**

- Monitoring and assessing that an appropriate culture and management framework, including policies (which are reviewed bi-annually), are in place which require that the Company:
  - Complies with the law;
  - Conforms with the highest standards of financial and ethical behaviour;
  - Adheres to high environmental standards;
  - Provides a safe workplace.
- Checking that compliance with policies and procedures is properly monitored;
- Adopting clearly defined delegations of authority from the Board to the Managing Director or Committees;
- Adopting formal processes for the selection of new directors and recommending them for consideration by shareholders at general meetings;
- Confirming that all directors, after appropriate induction are provided with on-going access to the Company’s operations, personnel and information to enable them to operate effectively in the discharge of their responsibilities;
- Reviewing the Board’s own processes and effectiveness including its committee structure and the composition, scope and performance of those committees;

- Determining that the Company's governance practices are appropriate and provide for renewal of the Board, maintenance of Director's independence and alignment with interests of shareholders and monitoring the effectiveness of them;
- Establishing and maintaining an appropriate structure of Board committees under appropriate charters formally constituted and adequately resourced, to enhance the Board's capacity to fulfil its responsibilities;
- Ensuring that the Company has in place a process that enables it to communicate effectively with its shareholders and stakeholders through timely and balanced disclosures of all material information concerning the Company that a reasonable person would expect to affect the price of the listed securities or value of the Company. Any such communications to comply with NZX Listing Rules and be recorded on the Company's website;
- Ensuring procedures are in place for the declaration and recording of 'conflicts of interest' of Directors and Employees;
- Establishing a policy that applies to Directors and Employees in respect to the trading in the Company's listed securities, as recommended by the NZX Corporate Governance Code.

#### **Performance Review and Remuneration**

- Approving the employee remuneration framework (including incentive plans) and ensuring that it is linked to the achievement of the strategic and operational plans of the Company;
- Agreeing appropriate performance indicators for the Managing Director and providing feedback to the Managing Director as to the performance of other Executives;
- Noting Non-Executive Director's remuneration is paid in the form of Directors' Fees. Ensuring the total fees available to be paid to Directors is in accordance with prior shareholder approval by resolution.

## **2. BOARD COMPOSITION, ROTATION AND NOMINATION**

### **Nomination**

The responsibility for nominating Directors is viewed as a 'collective responsibility' for the Board as a whole.

The Board will determine, in accordance with the Nomination Policy:

### **Composition**

The composition of the Board, subject to the Company's Constitution, and after taking into account the mix of skills, experience, expertise and diversity (including gender recognition) necessary to achieve the strategic and diversity goals before considering candidates for appointment to the Board. The appointment process may encompass direct approaches and/or the engagement of professional firms.

### **Independent Directors**

In compliance with the Company's constitution and the Listing Rules, the Board will consist of at least two independent Non-Executive Directors. In this context, for the assessment of a Director's independence, the Board's policy is that the Director has no direct or indirect interest or relationship

that could reasonably influence in a material way the Director's decisions in relation to the Company, including:

- Has not been employed in the Group in an executive capacity within the last 5 years;
- Within the last 5 years has not had a significant business relationship with the Company from which the Director has or is likely to derive 10% or more of that Director's annual revenue;
- Does not have a "substantial holding" (as that term is defined in the Financial Markets Conduct Act 2013) in the shares of the Company;
- Is not a member of an immediate family of any person described above.

### **Rotation**

One third of all Directors stand for election each year. In each year the Directors who retire are those who have been longest in office since their last election. An Executive Director is not required to retire by rotation. Any Director appointed by the Board as an additional Director or to fill a casual vacancy is required to be elected by the shareholders at the first annual meeting after their appointment.

## **3. CHAIRMAN AND RESPONSIBILITIES**

The Directors will elect one of their number to be Chairman and where necessary a Deputy Chairman. The Chairman is responsible for co-ordinating the activities of the Board including to:

- Promote and maintain the independence of the Board from management;
- Be principally responsible for evaluating the Managing Director's performance and to meet with the Managing Director to discuss the Board's requirements and expectations and the evaluation of the Managing Director's performance by the board;
- Establish a close working relationship with the Managing Director and acting as his or her mentor;
- Conduct meetings of the Board and of shareholders;
- Schedule Board meetings in a manner that enables the Board and its Committees to perform their duties responsibly while not interfering with the flow of the Company's business;
- Ensure that Board meetings are sufficiently well-planned and conducted in a manner that ensures the most effective and efficient use of Board time and energy;
- Prepare, in consultation with the Managing Director, other directors and Committee chairpersons, the agendas for the Board and Committee meetings;
- Foster a constructive governance culture and assist the Board and management in assuring compliance with and implementation of this Code and to be principally responsible for recommending revisions thereto;
- Ensure that rigorous, formal processes for evaluating the performance of the Board, Board Committees and individual directors are in place and lead these processes;

- Lead an annual work plan that ensures the Board addresses matters for which it is responsible in relation to strategy, remuneration, executive performance, financial reporting and budgets, dividends, audit, risk and governance.

#### **4. BOARD MEETINGS**

The Board is normally to meet at least six times per year. To enable appropriate review of Board materials (agenda and accompanying reports) by Directors, these will be despatched to Directors at least 5 business days in advance of meetings, (except in the case of Special Meetings due to some urgency). The materials provided to Directors will be of a quality which enables Directors to make informed decisions on all agenda items. All such materials are to be used specifically and only for the purpose for which it is provided to each Director for Board purposes.

To ensure Directors are able to gain full appreciation of the business operations the Board will annually hold at least one Board Meeting in each of the Group's regions of operations.

#### **5. BOARD COMMITTEES**

The Board may from time to time establish committees to assist in carrying out its responsibilities and adopt Charters setting out matters relevant to the composition, responsibilities and administration of such committees.

Only Directors may be members of a Committee, but the alternate may take the place of that Director where required.

Each standing Committee must be chaired by a Director other than the Chairman.

The Board will, as a minimum, establish the following Committees:

- Audit and Risk Committee
- Remuneration Committee

for which individual Charters exist.

The Board may also delegate specific functions requiring specialist knowledge or experience to individual Directors or ad-hoc committees from time to time. The powers delegated to such individuals or committees will be described in Board resolutions.

The Board does not have an identifiable Nominations Committee. The responsibility for appointments to the Board is viewed as a 'collective responsibility' for the Board as a whole.

Similarly, the Board does not have an identifiable Health and Safety Committee. The responsibility for health and safety is viewed as a 'collective responsibility' for the Board as a whole. The Board has responsibility for ensuring that the Company maintains a health and safety management system that meets best practice standards to protect the health and safety of employees and contractors engaged by the Company. As part of this, a Workplace Health and Safety report, prepared by the Group People and Performance Manager, will be presented to the Board as part of the materials prepared for each Board meeting.

In order to be fully informed on matters for consideration, a Committee member may require the attendance of the Managing Director, management, or the Company's auditors and advisers.

The Board will regularly review the performance of the Committees in accordance with their charters.

## **6. ROLE OF THE MANAGING DIRECTOR AND MANAGEMENT**

The Board delegates to the Managing Director all the powers and authorities required to manage the Company's day-to-day business, except those expressly reserved to the Board or one of its Committees as described in this Charter, and within the limits approved by the Board from time to time in the delegation framework.

The Managing Director is responsible for:

- providing management of the day-to-day operations of the Company;
- managing the Company in line with the strategic plan, the annual budget and the strategies confirmed by the Board for managing risks;
- delegating the management function within authority limits determined by the Board from time to time;
- recommending policy and strategic direction of the Company for approval by the Board.

The Managing Director is accountable to the Board for the exercise of the delegated authority and, with the support of its delegates, must report material matters to the Board with accurate and timely information.

### **Assistance to the Board**

The CFO is accountable directly to the Board, through the Chair, for advising on corporate governance matters, including adherence to the Board Charter and co-ordinating all Board business.

All Directors will have direct access to the CFO and other Company employees and advisers. Directors may request additional information at any time.