

## Introduction

This Board Charter outlines the roles and responsibilities of the Board of NZME Limited (the “**Company**”).

## Corporate Governance Principles

The Board is responsible for setting the strategic direction of the Company and its subsidiaries (together, the “**Group**”), directing the Company and enhancing its value for shareholders in accordance with good corporate governance principles.

The Board elects a Chairperson whose primary responsibility is the efficient functioning of the Board. Other than the Chief Executive Officer of the Company, any other independent director may be appointed as the Chairperson.

On appointment to the Board a director will be given a copy of this Code, an appointment letter covering the role of the Board, the Board’s expectations of the director and any particular terms of his or her appointment. The director will be offered induction training as to the responsibilities of the directors and to enable the director to become familiar with the Company’s operations and sites.

## Role of the Board

The objective of the Company is to generate growth, corporate profit and shareholder gain from the activities of the Group. In pursuing this objective the role of the Board is to assume accountability for the success of the Company by taking overall responsibility for the strategic direction and monitoring of operational management of the Group.

The main functions of the Board are to:

- (a) select and (if necessary) replace the CEO;
- (b) ensure that the Group has adequate executives and resources to achieve the Company’s objectives and to support the CEO and that a satisfactory plan for executive succession is in place;
- (c) review and approve the strategic, business and financial plans prepared by management and to develop a depth of knowledge of the Group’s business so as to understand and question the assumptions upon which such plans are based and to reach an independent judgment on the probability that such plans can be achieved;
- (d) review and approve individual investment and divestment decisions which the Board has determined should be referred to it before implementation;

- (e) set delegated authority levels for management and review and approve material transactions not in the ordinary course of the Group's business;
- (f) monitor the Company's performance against its approved strategic, business and financial plans and to oversee the Company's operating results on a regular basis so as to evaluate whether the business is being properly managed;
- (g) ensure ethical behaviour by members of the Group, the Board and executives, including compliance with the Company's constitution, relevant laws, listing rules and regulations and relevant auditing and accounting principles;
- (h) implement and from time to time review the Group's Code of Conduct & Ethics and other Company policies, foster high standards of ethical conduct and personal behaviour and hold accountable those directors, managers or other employees who engage in unethical behaviours;
- (i) ensure the quality and independence of the Group's external audit process;
- (j) assess from time to time its own effectiveness in carrying out these functions and the other responsibilities of the Board;
- (k) set the dividend policy; and
- (l) ensure the Group's health and safety and environmental practices and culture comply with legal requirements, reflect best practice and are recognised by employees and contractors as key priorities for the Group.

#### **Composition of the Board**

The Board should at all times comprise members whose skills, experience and attributes together reflect diversity, balance, cohesion and match the demands facing the Group. The Governance & Remuneration Committee is responsible for reviewing the composition of the board on an ongoing basis.

#### **Access to management**

The Board recognises that all directors should have access to the CEO and executives. Each director acknowledges that the division of responsibility between Board and management must be respected and will inform the Chairperson of interactions with executives.

#### **Access to advice**

A director may obtain independent advice at the expense of the Company on issues related to the fulfilment of his or her duties as a director, subject to obtaining the approval of the Chairperson prior to the incurrance of any advisory fees.

**Board expectations**

Directors are expected to maintain their knowledge of latest governance and business practices in order to perform their duties.

Open and constructive discussion is encouraged at all Board and Committee meetings to ensure decisions are taken that benefit from the diverse range of skills, knowledge and experience of directors.

Each director is expected to fully participate in meeting discussions, having read all Board and briefing papers provided. The papers will be provided sufficiently in advance of the meeting to allow adequate reading time. The content, presentation and delivery of papers to directors for each meeting will be in accordance with guidelines agreed by the Board.

Without limiting directors' right to express their views freely in discussions/meetings with other directors and to freely exercise their voting rights as directors, once decisions have been made by the Board all directors are expected to support the letter and spirit of those decisions outside the Board.

Directors will keep confidential all Board information, discussions, deliberations, and decisions that are not publicly known. Directors' obligations under this clause will continue after they have ceased to be directors.

**Performance review**

The Chairperson meets annually with directors of the Company to discuss individual performance of directors. The Board reviews its performance as a whole, and the performance of its committees, on an annual basis. The Board may choose to use external facilitators, where appropriate, to assist with reviewing the performance of directors, the Board and its committees.

**Indemnities by the Company and insurance for acting as a director**

The Company indemnifies its directors to the extent provided in section 162 of the Companies Act 1993 and it also indemnifies persons who undertake directorships of related companies at the request of the Company. The Group effects director and officer's liability insurance cover for the benefit of directors and executives.

**Adopted 12 December 2017 (Updated 11 April 2019)**