



Board Charter

This Charter was approved by the Board of Directors of Channel Infrastructure NZ Limited in December 2023.



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1. Purpose

- 1.1 This Charter sets out the manner in which the powers and responsibilities of the Board of Directors (**Board**) of Channel Infrastructure NZ Limited (**Company**) will be exercised and discharged and the obligations of any person appointed as, or holding the office of, a director of the Company (**Director**).
- 1.2 This Charter is to be read together with the Constitution of the Company, the Companies Act 1993 (**Companies Act**) and the NZX Listing Rules (**NZX Rules**).

2. Overview

- 2.1 The Board is the ultimate decision-making body of the Company. It sets the tone which determines the Company's relationship with shareholders, investors, employees, customers, tangata whenua, suppliers and the local and business communities.
- 2.2 The Board sets the strategic direction of the Company and selects the senior management team of the Company (**Management**) which is charged with operating the business. The Board will oversee the Management and will ultimately monitor performance of the Company on behalf of all shareholders.
- 2.3 The Board is responsible for the corporate governance of the Company.

3. Membership, Appointment, Term and Remuneration

- 3.1 The Constitution provides that the Board must have no fewer than three Directors and there will be no maximum number. At least two Directors shall be ordinarily resident in New Zealand and the minimum number of Independent Directors (as defined in the NZX Rules) on the Board shall be three. If there are eight or more Directors, one-third of the Directors must be Independent Directors. Nonetheless, the Board has determined that a majority of its members will be Independent Directors.
- 3.2 Board membership will be reviewed periodically to ensure the Board has an effective composition, size and commitment to adequately discharge its responsibilities and duties and to bring transparency, focus and independent judgement to decisions regarding the composition of the Board.
- 3.3 The Board will have regard to the recommendations of the People and Culture Committee following the nomination process set out in that Committee's charter.
- 3.4 Director remuneration will be paid in the form of Directors' fees without any performance element or retirement payments. Fees will be set by the Board having regard to the Company's Director and Executive Remuneration Policy, after taking advice from the People and Culture Committee. The total fees payable are to be within the amount authorised by shareholders in General Meeting.
- 3.5 The Chairperson will be paid a Chairperson's fee for the position. Directors will be paid a basic fee as ordinary remuneration and, as additional remuneration, an extra fee as Directors of Board committees and an extra fee for any special service as a Director.



4. Board Responsibilities

- 4.1 The Board delegates authority for the operations and administration of the Company to the Chief Executive Officer (**CEO**), assisted by Management. The CEO manages in accordance with the strategy, plans and delegations approved by the Board (including as to risk) and reports back regularly to the Board in this regard.
- 4.2 The Board is responsible for promoting the success of the Company in a manner designed to create and build sustainable value for shareholders and in accordance with the duties and obligations imposed upon them by the Constitution and law, while having due regard to other stakeholder interests and the requirements of the NZX Rules.
- 4.3 The Board will, amongst other things:
- (a) provide leadership, set and communicate strategic direction, operating and risk management frameworks and approve the allocation of resources (operational and financial) of the Company;
 - (b) implement procedures to assess and oversee the CEO and Management's performance, including implementation of the Company's strategic objectives, policies and procedures;
 - (c) review performance, operations and compliance reports from Management, including reports and updates on strategic issues and enterprise risk management matters;
 - (d) review and approve the CEO's delegated limits of authority
 - (e) review and approve the health, safety (both personal safety (including occupational health) and process safety (major accident hazard risk exposure)) and environment strategy for the Company;
 - (f) approve significant and/or material investments and projects, and monitor their progress, outcomes and returns;
 - (g) appoint and remove the CEO and oversee the selection of, and succession plans for, Management;
 - (h) review and approve the environmental, social and governance strategy and policies of the Company, including in relation to sustainability impacts and responding to the risks, impacts and opportunities of climate change;
 - (i) approve and monitor financial reporting, climate-related financial disclosures, solvency, budgets and capital management of the Company, and oversee the integrity of the Company's accounting and corporate reporting systems, including the external and internal audit;
 - (j) ensure that the Company has appropriate corporate governance structures and policies (including Continuous Disclosure Policy and standards of ethical behaviour) that enable the Company to satisfy its obligations under the NZX Rules, and monitor the effectiveness of these policies and practices;
 - (k) review and approve the Company's Code of Conduct, and provide oversight of the implementation and performance of the Code of Conduct;
 - (l) adopt and review the Company's remuneration policies and practices (including superannuation and incentive schemes); and
 - (m) attend to matters which cannot be delegated under law, particularly those matters set out in Schedule 2 to the Companies Act.



5. Responsibilities of Individual Directors

- 5.1 The conduct of directors will be consistent with their duties and responsibilities to the Company and to its owners, and in compliance with the Company's Code of Conduct.
- 5.2 Directors will receive a formal letter of appointment setting out the key terms and conditions of their appointment. Directors are expected to comply with their legal (including the NZX Rules), statutory and equitable duties and obligations when discharging their responsibilities as Directors which broadly include, amongst other things:
- (a) acting in good faith and in the best interests of the Company as a whole;
 - (b) acting with care and diligence and for proper purpose;
 - (c) avoiding conflicts of interest wherever possible, and where these do arise, disclosing and managing these in accordance with the Clause 6;
 - (d) not making improper use of information gained through the position of Director and from taking improper advantage of the position of Director;
 - (e) abiding by all the laws, rules and regulations applicable to the Company, including the Companies Act, the Constitution, the NZX Rules, Takeovers Code, and this Charter and complying with all statutory and internal disclosure requirements on a timely basis.
- 5.3 Directors will ensure that the Company has policies and procedures in place, and that these are adhered to, to ensure the Company complies with all applicable laws, rules and regulations, including the Companies Act, the Constitution, the NZX Rules, Takeovers Code and to aim to comply with all statutory and internal disclosure requirements on a timely basis.
- 5.4 Without limiting director's rights to express their views freely in discussions/meetings exercise 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 of the Board.
- 5.5 Potential Directors are encouraged to carry out "due diligence" on the Company before accepting an appointment to the Board.
- 5.6 On their first appointment, Directors will have the benefit of an induction programme aimed at deepening their understanding of the Company, the business, its risks and the environment and markets in which the Company operates.
- 5.7 Directors are expected to keep themselves abreast of changes and trends in the business and relevant markets, the Company's financial and non-financial risks, sustainability (including climate-related impacts), environment, social and governance matters and to keep abreast of changes and trends in the political, economic, social, technological, environment and legal climate generally.
- 5.8 Directors will maintain and protect the confidentiality of information entrusted to the Company about customers, work colleagues, suppliers, stakeholders and the Company's business and financial affairs, except where disclosure is allowed or required by law or a relevant regulatory body.
- 5.9 The Company will provide Directors with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as Directors.



6. Conflicts of Interest

- 6.1 Directors must disclose to the Board any actual or potential conflicts of interest or duty, or matter that may bear on their independence, which may exist or be thought to exist as soon as they become aware of the issue.
- 6.2 If a known conflict exists, the Company Secretary will take all reasonable steps to avoid any relevant papers being circulated to the affected Director prior to any Board discussion taking place.
- 6.3 If a potential conflict situation exists the affected Director should offer to excuse themselves from any Board discussion, and the remaining Directors will determine whether an actual conflict exists or not. The affected Director shall not vote on matters in which they have an interest unless permitted under the Constitution.
- 6.4 An important aspect of managing conflicts of interest at the Company is the establishment of the Independent Directors Committee.
- 6.5 The Independent Directors Committee consists of those Directors who meet the definition of an “Independent Director” for the purposes of the NZX Rules. The Independent Directors have two roles special to them which are set out below given their significance:
 - (a) to act in effect as the Board in relation to those matters to be decided by the Board in which all of the other Directors have an interest, including related party transactions, which disqualifies them from performing part of the quorum and voting; and
 - (b) to act as a committee to the Board to deal with matters delegated or referred to it by the Board or Management, including ensuring that issues concerning the Company’s customers and in particular any conflicts of interest, including related party transactions, are dealt with in a transparent manner for the benefit of the Company as a whole.
- 6.6 A director who is nominated by, or has special allegiance to, a particular shareholder or group of shareholders or other stakeholders, may only disclose confidential information to the nominating shareholder or other stakeholder with the authority of the Board and in accordance with any procedures prescribed in law or the Company’s constitution.

7. Access to Information and Independent Advice

- 7.1 Directors may access information and seek independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgement in decision making.
- 7.2 Any advice obtained under this procedure will be made available to the other members of the Board and all expenses incurred by the Director(s) in procuring such advice will be borne by the Company, subject to the Chairperson first providing his or her consent to the procurement of such advice. Such consent must not be unreasonably delayed or withheld.
- 7.3 Directors will be entitled to:
 - (a) have access to members of Management at any time to request relevant and additional information or seek explanations; and
 - (b) have access to internal and external auditors, without Management present to seek explanations or additional information,



in each case, coordinated with the Chairperson and, in relation to employees, the CEO and so as not to undermine the CEO's authority or primacy in regard to the Board-Management link.

- 7.4 Directors will only create, and only retain, information and communications required for business needs or to meet legal obligations.

8. Board Committees

- 8.1 The Board will establish Committees to assist with the exercise of its authority and discharge of its responsibilities, when it is efficient to do so.
- 8.2 The standing committees of the Board are:
- (a) The Audit and Finance Committee;
 - (b) The People and Culture Committee;
 - (c) The Independent Directors Committee; and
 - (d) The Health, Safety, Environment and Operations Committee.
- 8.3 The Board may establish other ad hoc committees from time to time.
- 8.4 The appointment of a Chair and of the members of any Board committee will be made by the Board.
- 8.5 Each of the standing committees will have its own written charter or terms of reference setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All charters and terms of reference of committees of the Board as well as the performance of each committee will be reviewed on a regular basis by the Board.
- 8.6 The charters of each committee will be made available on the Company's website.
- 8.7 Proceedings of each Committee meeting will be reported to the Board, with minutes of all committee meetings made available to Directors, except where a conflict exists.
- 8.8 All directors shall be entitled to attend meetings of Board committees where there is no conflict of interest.

9. Chairperson and Company Secretary

- 9.1 The Chairperson will be appointed from among the members and will be an Independent Director.
- 9.2 The role and responsibilities of the Chairperson include:
- (a) providing leadership to the Board and to the Company;
 - (b) overseeing the efficient organisation and conduct of the Board and monitoring Board performance annually;
 - (c) facilitating Board discussions so that core issues facing the Company are addressed;
 - (d) briefing all Directors in relation to issues arising at Board meetings;



- (e) facilitating and overseeing the effective contribution and on-going development of all Directors, including the design and implementation of the induction programme;
- (f) promoting consultative and respectful relations between Board members and between the Board and Management; and
- (g) chairing Board and shareholder meetings.

9.3 The Board will appoint the Company Secretary who will co-ordinate all Board business including scheduling meetings; development of agendas; development and distribution of Board papers; drafting and maintaining minutes of Board, committee and shareholder meetings; meeting statutory reporting and record-keeping requirements; overseeing corporate governance practices; carrying out the instructions of the Board and giving effect to the Board's decisions.

10. Procedures

- 10.1 Proceedings of the Board will be in accordance with the Constitution and otherwise as determined by the Chairperson of the Board.
- 10.2 Meeting agendas will be set by the Chairperson in consultation with the CEO and the Company Secretary based on the annual agenda/work plan developed by the Board. Any Director may, through the Chairperson, request the addition of an item to the agenda.
- 10.3 The Board will hold at least six meetings each year and will hold additional meetings as required. Board papers will be provided sufficiently in advance of the meeting to allow adequate reading time so that Directors can engage fully in the meeting.
- 10.4 Periodic site visits, by all Directors, to aid their understanding of the business of the Company, should be scheduled and co-ordinated by the Company Secretary. Directors are expected to give priority to attendance at these visits.

11. Reporting

- 11.1 The Board shall ensure that minutes are kept of all proceedings at meetings of the shareholders, the Board and all Board committees. All minutes must be approved by the chair of the meeting and will be circulated to all Directors, except where a conflict of interest exists.

12. Board and Director Evaluations

- 12.1 The Board will periodically evaluate its and the Board Committees' performance against their respective Charters. The Board, through the People and Culture Committee, will determine the scope of the performance evaluation and how it is carried out, to achieve the Board's objectives. An independent, suitably experienced, third party may be engaged to assist with the evaluation.
- 12.2 The evaluation will also assess whether appropriate training, where necessary, has been received by the Directors to develop and maintain their skills and knowledge in performing their duties.



13. Review of Charter

- 13.1 The Board will review this Charter as required and at least annually, to ensure that it remains consistent with the Board's objectives, responsibilities and its legal and regulatory obligations.
- 13.2 This Charter will be posted on the Company's website.