

The Warehouse Group Limited

Board Charter

1. Role

The central role of the Board is to set the strategic direction for The Warehouse Group Limited and its wholly owned entities (“the Company”), to select and appoint the Group Chief Executive Officer (“CEO”) and to oversee the Company’s management and business activities on behalf of owners and stakeholders.

Whilst the primary objective of the Company is to create, and to continue to build, sustainable value for shareholders, the Board is aware that there are other parties who may have an interest in or be affected by the activities of the Company. Their interests, together with those of shareholders, requires that the Company’s Directors undertake their responsibilities with honesty, integrity, care and diligence, in accordance with the law and in a manner which reflects the highest standards of governance.

This charter sets out how the Board will achieve its purpose within the governance structure of the Company. The conduct of the Board is also governed by the Company’s Constitution, a copy of which is available at www.thewarehousegroup.co.nz.

2. Powers

2.1. Delegation to the CEO

Day-to-day management and administration of the Company is undertaken by the CEO in accordance with the strategy, plans and delegations approved by the Board.

Decisions reserved for the Board and delegations to management are set out in the Delegation of Authority Policy.

Any matters outside those included in the Delegations Policy must be referred to the Board for approval.

2.2. Day to day management

The CEO is assisted by the executive team (“Management”) in delivering the Company’s strategy. The Board has implemented appropriate procedures to enable Management to undertake its delegated duties and for performance to be assessed. All Board authority conferred on Management is delegated through the CEO so the authority and accountability of Management is considered by the Board to be the authority and accountability of the CEO.

3. Ethical Standards and Conflicts

3.1. Code of Conduct

Each director shall abide by the terms of the Company’s Code of Ethics and is expected to uphold the ethical standards and corporate behaviour described in the Code.

3.2. Duties

The Board will operate in a manner reflecting the values of the Company and in accordance with its agreed corporate governance guidelines, the Constitution, the Companies Act and all other applicable laws and regulations.

3.3. Disclosure of conflicts

Directors must:

- a) disclose to the Board any actual or potential conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue;
- b) take any necessary and reasonable measures to try to resolve the conflict; and
- c) comply with the Companies Act provisions on disclosing interests and restrictions on voting.

3.4. Voting when conflicted

If a conflict or potential conflict exists, it is expected that the conflicted Director may absent themselves from the meeting whilst the Board discusses the matter and will not vote on the matter unless the other Directors, who do not have a material personal interest in the matter, have passed a resolution that states that those Directors are satisfied that the interest does not disqualify the Director from voting or being present.

4. Responsibilities

4.1. Appointment of the Chair and Deputy Chair

The Chair of the Board is appointed by the Directors. The Chair will be an independent non-executive Director and must not also be the CEO of the Company.

The Directors may, from time to time, appoint a Deputy Chair to assist the Chair and perform the role of Chair in the Chair's absence.

Should the Chair and Deputy Chair be absent from a meeting, the members of the Board present at the meeting have authority to choose one of their members to chair that meeting.

4.2. Board responsibilities

The Board is responsible for creating and building sustainable value for shareholders in a manner that is in accordance with the duties and obligations imposed upon them by the Company's Constitution and law, while having regard for other stakeholder interests.

To meet its responsibilities the Board will, among other things:

- a) set strategic direction and appropriate operating frameworks of the Company;
- b) monitor Management's performance within those frameworks;
- c) ensure there are adequate resources available to meet the Company's objectives;
- d) appoint and remove the CEO and oversee succession plans for the senior executive team;
- e) set criteria for, and evaluate the performance of, the CEO and approve his or her remuneration;
- f) approve and monitor financial reporting and capital management including the payment of dividends;
- g) monitor the financial solvency of the Company;
- h) approve the appointment of the external auditor and, subject to shareholder approval, fix the fees and expenses;
- i) ensure that effective risk management procedures are in place and are being used;
- j) approve timely and balanced communication to shareholders;
- k) ensure so far as is reasonably practicable, a safe and healthy working environment is provided and maintained for all employees, customers, contractors and visitors;
- l) promote and authorise ethical and responsible decision-making by the Company;
- m) ensure the Company has appropriate corporate governance structures in place including standards of ethical behaviour;
- n) annually review, approve and adopt the diversity policy and diversity objectives, and measure achievement against the objectives; and
- o) ensure that the Board is and remains appropriately skilled to meet the changing needs of the Company.

4.3. Chair's responsibilities

To meet his or her responsibilities the Chair will, among other things:

- a) provide leadership to the Board and to the Company;
- b) ensure the efficient organisation and conduct of the Board;
- c) monitor Board performance annually;
- d) facilitate Board discussions to ensure core issues facing the Company are addressed;
- e) brief all Directors in relation to issues arising at Board meetings;
- f) facilitate the effective contribution and ongoing development of all Directors;
- g) promote consultative and respectful relations between Board members and between the Board and Management; and
- h) chair Board and shareholder meetings.

- 4.4. Board Secretary's responsibilities
- a) The Board Secretary will be the Company Secretary or another Company employee nominated by the Board;
 - b) The Board Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board and is responsible for ensuring Board procedures are complied with and that governance matters are addressed across the Company; and
 - c) The Board Secretary 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.

5. Board Composition

5.1. Composition

The Board will comprise a majority of non-executive, independent Directors who represent an appropriate range of skills, knowledge, experience and diversity. Directors will have a proper understanding of, and competence to deal with current and emerging issues of the business, effectively review and challenge the performance of Management and exercise independent judgement

5.2. Size

The Company's Constitution provides for a minimum of five directors of whom at least two must be normally resident in New Zealand. The Board has adopted a policy to have up to ten directors. The Board may review this requirement from time to time.

5.3. Review of Board composition

Board membership should be reviewed annually on the recommendation of the Corporate Governance and Nominations Committee. The individual performances of those Directors considering standing for re-election at the next annual shareholders meeting will be considered to determine whether the Board should recommend each Director's reappointment to shareholders.

5.4. New appointments

The Board's Corporate Governance and Nominations Committee is responsible for the identification and recommendation of candidates for appointment to the Board.

6. Board / Director Processes

6.1. Collective role of non-executive directors

Non-executive Directors collectively will, among other things:

- a) challenge and contribute to the development of strategy;
- b) scrutinise Management's performance against agreed objectives, and monitor the reporting of performance;
- c) review, and where appropriate, challenge proposals presented by Management;
- d) request additional information where they consider that information necessary to support informed decision-making; and
- e) take reasonable and proper steps to satisfy themselves that there are adequate and proper financial controls and systems of risk management and internal compliance, and that the controls are maintained and the systems robust.

6.2. Individual role of non-executive directors

Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as directors. Broadly these include:

- a) acting in good faith and in the best interests of the Company;
- b) acting with care and diligence and for proper purpose;
- c) avoiding conflicts of interest wherever possible; and
- d) refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director.

Directors are expected to support the letter and spirit of Board decisions.

Directors will keep confidential all Board information, discussions, deliberations and decisions which are not publicly known.

6.3. Chair's consent to external appointments

Prior to the acceptance of any relevant external appointments, non-executive Directors must obtain the Chair's consent. Relevant appointments include any appointment with potential to:

- a) cause a conflict of interest for the Director;
- b) affect the Director's independence;
- c) have reputational consequences for the Company; or
- d) place demands on the Director's time that could hinder their ability to attend Board meetings and discharge their responsibilities to the Company.

6.4. New directors

Directors will be appointed pursuant to formal letters of appointment setting out the key terms and conditions of the appointment, including duties, rights and responsibilities, the time commitment envisaged and the Board's expectations regarding their involvement with committee work to ensure that Directors clearly understand the expectations of the Board and the Company. New directors will be given a briefing pack of materials setting out the Company's business activities, financial position and forward plans and will also be offered management briefings on strategic, financial and other matters.

6.5. Continuing professional education

Non-executive directors are expected to maintain the skills required to discharge their obligations to the Company and they should undertake continuing professional education to the extent necessary. Request for approval of professional education courses may be made to the Company Secretary and where a request is approved, the cost of the course will be met by the Company.

6.6. Board records

A record of Board submissions and papers, and of material presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings. The records will be accessible to directors and former directors for the period they were a director as reasonably required.

6.7. Periodic site visits

Periodic site visits, by all directors, to aid their understanding of the business of the Company, will be scheduled and co-ordinated by Management. Directors are expected to give priority to attendance at these visits.

6.8. Insurance and indemnity

The Company will provide directors with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as directors, to the fullest extent permitted under law.

7. Meetings

7.1. Board meetings

The directors may meet to conduct their meetings in accordance with the Constitution and otherwise as they decide. The Board will normally hold scheduled meetings at least nine times each year. An unscheduled meeting of the Board may be held in accordance with the Constitution. These will normally be scheduled in consultation with the Chair. Urgent decisions, where it is not practical to convene a meeting, may be made by resolution, circulated in writing, in accordance with the Constitution. Additional days should be allocated each year for reviewing the Company's strategy with Management.

7.2. Quorum

A quorum for Board Meetings is a majority of directors.

7.3. Distribution of papers

The Company Secretary is responsible for distributing Board meeting papers at least five working days in advance of scheduled meetings to allow directors to prepare for the meeting.

- 7.4. **Board agendas**
Board agendas will be settled by the Chair in conjunction with the CEO and Company Secretary and should allow for a discussion period by non-executive directors without Management present.
- 7.5. **Meetings by audio and video conference**
Board meetings will be convened so that, wherever possible, directors are able to attend and participate in person. Where personal attendance by some or all directors is not possible directors may communicate with each other through any technological means by which they can participate in discussion even though they may not be physically present in the same place.
- 7.6. **Written resolutions**
Directors may pass or approve Board resolutions in writing or electronically by adopting the procedures set out in the Constitution.
- 7.7. **Reporting**
Proceedings of all meetings are minuted and signed by the Chair or the Chair of the meeting. Minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting.

8. Board Committees

- 8.1. **Board may establish committees**
The Board may discharge any of its responsibilities through committees of the Board. Each committee shall adopt a Charter to be approved by the Board, setting out its role, composition, powers, responsibilities, structure, resourcing and administration, and any other relevant matters. The Charter will be reviewed periodically by the Board. The appointment of a Chair and of the members of any Board committee will be made by the Board.
- 8.2. **Standing committees**
The Board has established the following committees:
- a) Audit and Risk Committee;
 - b) People and Remuneration Committee;
 - c) Corporate Governance and Nominations Committee;
 - d) Disclosure Committee (committee of the Board and Management); and
 - e) Health and Safety Committee.
- 8.3. **Reporting to the Board**
Each committee will report to the Board on specific issues as and when required under its Charter. Proceedings of each meeting of that committee will be reported to the following Board meeting. Except in cases which involve a conflict of interest, the minutes of all committee meetings should be made available to all directors as soon as practicable.
- 8.4. **Attendance at committee meetings**
All non-executive directors shall be entitled to attend meetings of Board committees where there is no conflict of interest.

9. Independence

- 9.1. **Non-executive directors**
A non-executive director is considered to be “independent” providing he or she:
- f) , , ,
 - g) , , ,
- Is not currently or has not within the last three years, been employed in an executive role by the Company or any of its subsidiaries, and there has been a period of at least three years between ceasing such employment and serving on the board;
 - Is not currently, or has not within the last 12 months, held a senior role in a provider of material professional services to the Company or any of its subsidiaries;
 - does not have a current, or has not within the last three years had a material business relationship (e.g.as a supplier or customer) with the Company or any of its subsidiaries;

- is not a substantial product holder of the Company, or a senior manager of, or person otherwise associated with a substantial product holder;
- does not have a current, or has not within the last three years had a material contractual relationship with the Company or any of its subsidiaries, other than as a director;
- does not have close family ties with anyone in the categories listed above;
- has not been a director of the entity for a length of time that may compromise independence; or
- is determined by the Board on the recommendation of the Corporate Governance and Nominations Committee to be independent in character and judgement.

In each case, the materiality of the interest, position, association or relationship will be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring independent judgement to bear on issues before the Board and to act in the best interest of the Company and represent the interests of its financial product holders generally.

- 9.2. Directors are responsible for ensuring they provide the Company with all information that may be relevant to the Board assessment and determination of the director's independence, in a timely manner and on an ongoing basis.
- 9.3. The Board will assess the independence of directors on their appointment and confirm at least annually thereafter. If, at any time, the Board makes a determination regarding a Director's independence that differs from the position last released to the market, such determination must be promptly and without delay released through MAP.
- 9.4. Former executive directors
A former executive director is not eligible for appointment as a non-executive director until a reasonable time, as determined by the Board, has passed after ceasing to be an executive director.

10. Access to information and advice

10.1. Access to independent advisers

Directors shall, both individually and collectively, have the right to consult the Company's professional advisers and, if necessary, or if they are not satisfied with the advice received, seek independent professional advice at the Company's expense in respect of matters related to performance of their duties as directors of the Company.

A director shall give prior notice to the Chair, the Chair of the Audit & Risk Committee, and the Company Secretary of his or her intention to seek independent professional advice under this procedure and shall provide the names(s) of any professional advisers he or she proposes to instruct, together with a brief summary of the subject matter.

The Company Secretary shall provide a written acknowledgement of receipt of the notification which shall state whether the fees for the professional advice sought are payable by the Company under these procedures.

For the avoidance of doubt, the above restrictions shall not apply to executive directors acting in the furtherance of their executive responsibilities and within their delegated powers.

Independent professional advice for the purposes of this resolution shall include legal advice and the advice of accountants and other professional financial advisers on matters of law, accounting and other regulatory matters but shall exclude advice concerning the personal interests of that director concerned (such as a service contract with the Company, dealings in the Company's securities or disputes with the Company). Any advice obtained under this procedure shall be made available to the other Directors.

10.2. Access to Company information

Directors will be entitled to:

- a) have access to members of Management via the CEO at any time to request relevant and additional information or seek explanations;

- b) have direct access to the Company Secretary; and
- c) have access to internal and external auditors, without Management present, to seek explanations or additional information.

10.3. Board Performance

Annual performance evaluation

The Board will undertake an annual performance evaluation that:

- a) reviews the performance of the Board against the requirements of this Charter;
- b) reviews the performance of the Board Committees against the requirements of their respective Charters; and
- c) reviews the individual performances of the Chair and the directors.

10.4. Scope of performance evaluation

The Board, through the Corporate Governance and Nominations Committee, will determine the scope of the performance evaluation and how it is carried out, to achieve the Board's objectives.

11. Review

Review of Charter

The Board will review this charter every two years to ensure it remains consistent with the Board's objectives and responsibilities and incorporates changes in best practice and legislation.

Document Review:

Final approved	14 February 2019
Effective date	14 February 2019
Owner	Board of Directors
Next review date	31 March 2020
Policy owner	Company Secretary
Document versions history	Revised by The Warehouse Limited Board on 23 March 2018 and 14 February 2019