

# Board Charter

---

## 1.0 Purpose

This Charter sets out the functions, responsibilities, composition, structure and approach of the Board and should be read in conjunction with the Company's Constitution. The Board is responsible for the corporate governance of the Company. This Charter provides guidance for the effective oversight of the Company by the Board on behalf of its stakeholders.

The Company's purpose is creating connected communities.

## 2.0 Functions and responsibilities

The functions and responsibilities of the Board include:

- > overseeing the business and affairs of the Company
- > establishing, in conjunction with the Executive Team, the Company's strategic direction and financial and non-financial objectives
- > monitoring of the Company's financial and non-financial performance, including budgets and forecasts, and establishing procedures to ensure timely, accurate and compliant financial and non-financial reporting, together with the approval of the annual and interim reports
- > approving major capital expenditure, investments and changes to the capital structure
- > reviewing and approving the Company's Dividend Policy and declaration of dividends
- > appointing the Company's external and internal auditors
- > ensuring accountability to Shareholders through appropriate reporting and regulatory compliance
- > ensuring appropriate consideration of the Company's stakeholders (including, for example, employees, tenants, customers, visitors, local communities and iwi in the areas in which the Company operates, suppliers and members of the investment community) through appropriate engagement, communication and action
- > monitoring the auditing, internal control and compliance mechanisms
- > understanding and ensuring the management of the risks which the Company faces in achieving its objectives
- > ensuring adherence to legislation, regulations and the Listing Rules, including the continuous disclosure regime
- > overseeing and reviewing the Company's health, safety and wellbeing vision, policy, strategy, and annual objectives and plan
- > managing the appointment and succession of the Chief Executive Officer, and reviewing the remuneration and performance of the Chief Executive Officer, consistent with the Company's strategic direction

- > monitoring the appointment, performance and remuneration of direct reports to the Chief Executive Officer
- > reviewing development and succession plans for direct reports to the Chief Executive Officer
- > delegating day-to-day operations of the Company to the Chief Executive Officer and management, subject to specific limits of authority
- > considering the recommendations of the Audit and Risk Committee, the Environmental, Social and Governance Committee and the Remuneration, Nominations Committee and any other Board committee, and
- > reviewing its own contribution to the Company's performance.

## 3.0 Composition

### 3.1 Membership

The Board will be structured in such a way that, as a group, it is of a size, has the skills, knowledge, qualities, experience and diversity to meet and discharge its functions and responsibilities.

In accordance with the Company's Constitution and the Listing Rules, the minimum number of Directors will be three and the maximum number will be eight. Information about each Director will be disclosed on the Company's website and in its annual report including a profile of experience, length of service, independence, ownership interests and director attendance at board and committee meetings.

At least two Directors must ordinarily be resident in New Zealand.

### 3.2 Independence

The Board will be comprised of a majority of independent non-executive Directors and at least two Directors must be independent.

The criteria for determining whether a Director is independent is set out in the Listing Rules. The Board will regularly assess the independence of each Director in light of interests and any other information disclosed by them. If, at any time, the Board makes a determination regarding a Director's independence that differs from the position most recently announced through NZX then such determination must be released through NZX promptly and without delay.

### 3.3 Appointment and rotation

Appointment, rotation and retirement will be determined in accordance with the Constitution and the Listing Rules.

The Remuneration and Nominations Committee will assist the Board in planning the Board's composition, evaluating the competencies required of prospective Directors, identifying those prospective Directors, establishing their degree of independence, and making recommendations to the Board accordingly.

To be eligible for selection, candidates must demonstrate the appropriate skills, knowledge, qualities, diversity and experience for the role of Director and will be selected on a range of factors, including the needs of the Board at the time.

A Director must not hold office (without re-election) past the third annual meeting following their appointment or three years, whichever is longer.



The Board may appoint Directors to fill casual vacancies or to provide additional or new skills, knowledge, qualities, experience and diversity to meet and discharge its role and responsibilities. Directors appointed by the Board must not hold office (without re-election) past the next annual meeting after their appointment.

## **4.0 Appointment and role of Chair**

The Chair will be elected by the Directors and will be an independent Director. In recognition of the importance of independent views and the Board's role in supervising the activities of management, the Chair will not also hold the position of Chief Executive Officer.

The Chair is responsible for leading the Board, for the efficient organisation and conduct of the Board's function, and for the briefing of all Directors in relation to issues arising at Board meetings.

The Chair will ensure that all Directors receive and understand the information needed for the Board to make fully informed decisions and to enable the Directors to effectively discharge their duties.

The Chair will facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and between Board and management.

If required, Directors are entitled to seek independent advice at the Company's expense. Seeking of professional advice should be co-ordinated by the Chair. Generally, the advice received will be shared with all Directors.

## **5.0 Board committees**

The Board may establish committees to assist in the execution of its duties and responsibilities and to allow detailed consideration of complex issues. The membership and Chair of any Board committee will be appointed by the Board.

Each committee will have its own written charter setting out its role and responsibilities and the manner in which the committee is to operate. Committees do not diminish the full Board's responsibility for the affairs of the Company. Unless the Board has specifically delegated authority to a committee, no committee has authority to make a decision or take any action on behalf of the Board. Instead, a committee must recommend that the Board make a decision or take action.

Each committee will be empowered to seek information it requires from management in pursuing its duties, and to obtain independent legal or other professional advice. The provision of such advice, if required, is to be arranged in consultation with the Chair of the Board.

The Board has currently established three permanent committees – the Audit and Risk Committee, the Environmental, Social and Governance Committee and the Remuneration and Nominations Committee.

From time to time the Board may establish other standing or temporary committees to consider or monitor specific projects or issues.

### **5.1 Audit and Risk Committee**

The Audit and Risk Committee assists the Board in providing oversight of all matters relating to the risk, compliance and financial management and controls, tax governance, financial accounting, audit (internal and external) and the external reporting requirements of the Company.



## **5.2 Environmental, Social and Governance Committee**

The Environmental, Social and Governance Committee assists the Board in identifying and considering all relevant ESG matters. It also assists the Board to embed ESG principles throughout the business.

## **5.3 Remuneration and Nominations Committee**

The Remuneration and Nominations Committee assists the Board to ensure it has appropriate remuneration policies and practices in place so that the Company continues to attract and retain top talent at all levels of the organisation. It also assists the Board in planning the Board's composition, ensuring there is an appropriate mix of skills, knowledge, experience, qualities and diversity.

## **6.0 Meetings**

### **6.1 Frequency**

The Board will meet at least six times per year. Additional meetings may be scheduled at the discretion of Directors, as deemed necessary to discharge their role and responsibilities.

### **6.2 Quorum**

The Constitution requires that a quorum for a meeting is a majority of the Directors present and entitled to vote on the matter, unless the Directors determine otherwise. The Constitution also requires that a written resolution in lieu of a formal meeting may be passed by either all of the Directors or all of the Directors other than one Director, in each case of the Directors entitled to vote.

### **6.3 Board material**

To enable appropriate review by Directors, Board papers must be sent to Directors approximately one week in advance of a scheduled meeting. In the case of an unscheduled meeting, Board papers may be sent to Directors less than one week in advance of the meeting where it is not reasonably practicable to send them one week in advance. The content, presentation and delivery of papers to Directors are to be provided according to the guidelines agreed by the Board, and as deemed necessary, to effectively discharge their roles and responsibilities. The Chair will approve the agenda prior to each meeting.

### **6.4 Participation**

The Chief Executive Officer and Company Secretary will attend all Board meetings. Other members of management and/or advisors to the Company may be invited to attend.

Members may be present in person, or by direct electronic communication such as telephone or video link.

The Board may elect to meet without management present for closed discussion on a matter.

Open and constructive discussion is encouraged at all meetings to ensure decisions are taken that benefit from the skills, knowledge, qualities, diversity and experience of Directors.



## 6.5 Minutes

A complete record of proceedings of all meetings will be kept. Minutes will include the key elements of debates, declarations of personal interests, disclaimers or objections, decisions and the basis of decisions, action plans, matters arising and responsibilities for implementation. Minutes will be maintained by the Company Secretary. Draft minutes will be provided to the Chair within 10 business days of each meeting. The Company Secretary will be responsible for the distribution of draft minutes to all Directors following approval by the Chair.

## 7.0 General conduct of Directors

Directors are to act honestly, ethically, diligently and in good faith, and are required to exercise their business judgement and to act in what they believe to be the best interests of the Company while undertaking their duties.

Directors will carry out their duties in a lawful manner, apply any applicable ESG Principles (which are set out in the ESG Policy) and any applicable ESG practices, and use reasonable endeavours to ensure the Company conducts its business in accordance with the law, ESG principles and with a high level of commercial integrity.

Directors are required to comply with the Company's Code of Ethics and any other policies which the Board collectively endorses or approves unless the policy explicitly excludes the Board from its application.

In particular, Directors are to:

- > act properly and efficiently and within the authorities and discretions delegated to them (if any) in pursuing the objectives of the Company
- > avoid putting themselves in a position where they stand to benefit personally (directly or indirectly) or be accused of insider trading, and will not trade in the Company's securities unless they do so in accordance with the Company's Securities Trading Policy
- > ensure they and the Company is in compliance with all laws and regulations
- > maintain the confidentiality of all confidential information at all times, and
- > be absolutely honest in all professional activities.

In discharging their obligations, Directors may rely on the advice of management and other professional advisers and experts (in respect of matters which the Director believes on reasonable ground to be within the person's professional or expert competence) provided they:

- > have acted in good faith
- > have made proper inquiry where the need for inquiry is indicated by the circumstances, and
- > had no knowledge that such reliance was unwarranted.

Directors may, nevertheless, be open to civil or criminal liability under the Financial Markets Conduct Act 2013, if they personally commit an unlawful act, or by virtue of accessory liability.

Each Director is expected to undergo continuous training to educate and update themselves on how to appropriately and effectively perform their duties as Directors.



## 8.0 Delegations to the Chief Executive Officer and management

Implementation of strategic objectives for the Company and for the day-to-day management of the Company's operations are delegated to the Chief Executive Officer. The Chief Executive Officer may sub-delegate functions to management.

Decisions reserved for the Board and delegations to the Chief Executive Officer and management are set out in the Company's Delegated Authorities.

The delegations are:

- > subject to any specific direction given by the Board at any time and from time to time
- > subject to amendment in whole or in part at any time, and from time to time, by the Board in its discretion, and
- > revocable in whole or in part at any time, and from time to time, by the Board in its discretion.

## 9.0 Board performance

The Board will review regularly the performance and effectiveness of the Board as a whole and also of each Director, in accordance with procedures adopted by the Board from time to time for that purpose. The performance review process may include the engagement of an external consultant to facilitate the performance evaluation of the Board and/or each Director, if the Board determines such facilitation would be of value.

## 10.0 Director remuneration

Directors' remuneration is paid in the form of Directors' fees. Additional fees are paid to the Chair, committee chairs and committee members to reflect the additional responsibilities of those roles.

The Remuneration and Nominations Committee assists the Board in determining the amount of remuneration to be paid to Directors. Any change to the total fee pool available to be paid to Directors requires the prior approval of Shareholders.

## 11.0 Interests register

Section 189(1)(c) of the Companies Act 1993 requires the Company to keep a Register of Directors' Interests. Each Director is required to disclose the following information and have that information entered into the Register of Directors' Interests as soon as they become aware of it:

- > particulars of board appointments
- > particulars of interests in transactions of the Company
- > disclosure or use of Company information acquired by virtue of office or employment by the Company
- > dealings in the Company's securities
- > particulars of Board approved payments, loans and guarantees of the debts of Directors, or contracts to do any of these things.



Before dealing in the Company's securities, Directors must comply with the requirements of the Company's Securities Trading Policy.

Directors' are also required to comply with the Company's Directors Disclosure and Register of Interests Policy in respect of 'relevant interests' in securities of the Company.

## 12.0 Directors' and officers' insurance

Subject to the Constitution and the Companies Act 1993, directors' and officers' liability insurance will be maintained, at the cost of the Company, to indemnify the Directors and officers against all liabilities which arise out of the performance of normal duties as Directors or officers. This includes indemnity of costs and expenses incurred in defending an action that falls within the scope of the indemnity and extends to lack of cover arising from insurance excesses or deductibles.

## 13.0 Review of Charter

The Charter is to be reviewed at least every two years and immediately if there has been a change in the structure of the Company.

For definitions of all capitalised terms contained in this document, please refer to our 'Glossary of terms', which can be found on the Company's website [kp.co.nz/about-us/corporate-governance](http://kp.co.nz/about-us/corporate-governance)

<b>Policy owner:</b>	General Counsel and Company Secretary
<b>Review date:</b>	February 2023
<b>Next review date:</b>	February 2025
<b>Policy approver:</b>	Board

