

**1. Purpose of Charter**

- 1.1 This Charter sets out the role, composition and responsibilities of the Board of Investore Property Limited (**Investore**) and is also applicable to the boards of its wholly owned entities.
- 1.2 The Board has ultimate responsibility for the strategic direction of Investore and for supervising Investore's management for the benefit of shareholders. The Board's responsibilities include setting and overseeing the execution of Investore's strategy, and supervising the Manager in the operation of Investore's business.
- 1.3 The purpose of this Charter is to provide high standards of corporate governance and to clarify the role and responsibility of the Board.
- 1.4 The conduct of the Board is also governed by the constitution of Investore (the **Constitution**) and the management agreement (the **Management Agreement**) between Investore and Stride Investment Management Limited (the **Manager**).

**2. Membership and Term**

- 2.1 The Constitution provides for four Directors. At least two Directors must be persons who are normally resident in New Zealand and at least two Directors must be Independent of the Manager.
- 2.2 The Board should comprise:
  - a) Directors with an appropriate range of skills and experience;
  - b) Directors who have a proper understanding of and competence to deal with, current and emerging issues of the business; and
  - c) Directors who can effectively review and challenge the performance of the Manager and exercise independent judgement.
- 2.3 The Board shall consist of a majority of non-executive Directors. At least one-third of the Directors must be Independent Directors (as defined in the NZX Limited Main Board Listing Rules), provided that there will be no less than two Directors being Independent Directors at any one time, and meet the following criteria:
  - a) not hold more than 5% of Investore's class of listed voting securities;
  - b) not be employed in an executive capacity by Investore or its subsidiaries;

- c) not be a principal or employee of a professional advisor to Investore and/or its entities whose billing exceeds 10% of the advisor's total revenues;
- d) not be a significant supplier to or customer of Investore (a significant supplier is defined as one whose revenues from Investore exceed 10% of the supplier's total revenue, and a significant customer is defined as one whose purchases from Investore exceed 10% of the customer's total purchases);
- e) have no material contractual relationship with Investore;
- f) have no other interest or relationship that could interfere with his or her ability to act in the best interests of Investore and independently of management; and
- g) is determined by the Board to be independent in character and judgement.

2.4 In addition, the Board must include two Directors who are Independent of the Manager.

2.5 Independent of the Manager means, in respect of a Director (including any alternate Director), that:

- (a) the Director is not an Associated Person of any of the following:
  - (i) the Manager; or
  - (ii) a person who holds or controls more than 25% of the ordinary shares of the Manager; or
  - (iii) a related company of a person who holds or controls more than 25% of the ordinary shares of the Manager; or
- (b) the Director was not appointed by the Manager under clause 20.5 of the Company's constitution;
- (c) the Director is not an executive officer of the Manager and has no Disqualifying Relationship with the Manager; or
- (d) pursuant to any Ruling or other written consent of NZX, the Director is to be treated as being independent of the Manager.

2.6 All Directors appointed by way of a casual vacancy are required to be elected by the shareholders at the first annual meeting after their appointment. One-third of all Directors shall retire and stand for election each year provided that no Director who is appointed by the Manager shall be required to retire by rotation. In each year the Directors who retire are those who have been longest in office since their last election. If Directors have been in office for an equal period of time, the Director(s) who retire will be determined by lot. There is no maximum number of terms for which a person can remain a Director. If there is more than one Director who is an employee then the Board may nominate which one of those Directors is not liable to retire by rotation.

- 2.7 The Board is responsible for the identification and recommendation of candidates for appointment to the Board other than a Director who is appointed by the Manager.
- 2.8 Directors will be appointed pursuant to formal letters of appointment setting out the key terms and conditions of the appointment to ensure that Directors clearly understand the expectations of Investore and the Board.
- 2.9 Membership of the Board shall be disclosed in the annual report including:
- a) information on each Director, including a profile of experience, length of service, independence and ownership interests in Investore (and the loss or gaining of independence will be disclosed to the market immediately);
  - b) whether he or she has been appointed by the Manager;
  - c) a quantitative breakdown, as to the gender composition of Investore's Directors and Officers as at Investore's balance date and including comparative figures for the prior balance date of Investore; and
  - d) a statement of the evaluation of Investore's performance with respect to its diversity policy carried out in accordance with this Charter.

The annual report should also include information on the Board's appointment, training and evaluation processes.

- 2.10 The Board has not adopted a tenure policy.
- 2.11 The Board has adopted a diversity policy.

### **3. Board Responsibilities**

- 3.1 The Board has delegated authority for the operations and administration of Investore to the Manager.
- 3.2 The Board is responsible for promoting the success of Investore in a manner designed to create and build sustainable value for shareholders and in accordance with the duties and obligations imposed upon them by Investore's Constitution, the Management Agreement and law, while taking due regard to other stakeholder interest.
- 3.3 Specifically, the Board is responsible for:
- a) setting strategic direction and appropriate operating frameworks of Investore;
  - b) monitoring the Manager's performance within those frameworks;
  - c) ensuring there are adequate resources available to meet Investore's objectives;
  - d) approving and monitoring financial reporting and capital management;

- e) approving timely and balanced communication to shareholders, aiming to clearly communicate the goals, strategies and performance of Investore;
- f) monitoring the financial solvency of Investore;
- g) setting and monitoring Investore's dividend policy;
- h) ensuring that effective risk management procedures are in place and are being used;
- i) promoting and authorising ethical and responsible decision-making by Investore;
- j) ensuring Investore has appropriate corporate governance structures in place including standards of ethical behaviour;
- k) evaluating the Board's performance, along with that of Board committees and individual Directors (including the Chairperson);
- l) ensuring that the Board is and remains appropriately skilled to meet the changing needs of Investore;
- m) ensuring compliance with Investore's Market Disclosure Policy, including examining continuous disclosure issues at each Board meeting;
- n) planning, delivering, monitoring and reviewing effective health and safety within the Investore group, which may be dealt with by the Manager in accordance with the Management Agreement; and
- o) evaluating Investore's performance with respect to its diversity policy, and reviewing its diversity policy, at least once per annum.

#### **4. Board Committees**

- 4.1 The Board may discharge any of its responsibilities through committees of the Board in accordance with the Constitution. The Board has established the Audit & Risk Committee to consider certain issues and function in more detail.
- 4.2 Each committee shall adopt its own charter to be approved by the Board, setting out matters relevant to its composition and responsibilities. The charter adopted by each committee will be reviewed periodically by the Board.
- 4.3 The Board may access, and obtain copies of, any information held by a committee of the Board.
- 4.4 Membership of standing committees of the Board should be published on Investore's website.

#### **5. The Board and the Manager**

- 5.1 Responsibility for the day-to-day management and administration of Investore is delegated by the Board to the Manager.

- 5.2 The Manager should provide information of sufficient content, quality and timeliness to the Board to enable it to effectively discharge its duties.
- 5.4 The Manager manages Investore in accordance with the Management Agreement.
- 5.5 The Board has implemented appropriate procedures to assess the Manager's performance.

## **6. Role of the Chairperson**

- 6.1 The Chairperson of the Board is appointed by the Directors.
- 6.2 The Chairperson must be a non-executive Director who is Independent of the Manager.
- 6.3 The role and responsibilities of the Chairperson include:
- a) providing leadership to the Board and to Investore;
  - b) ensuring the efficient organisation and conduct of the Board, including fostering a constructive governance culture and applying appropriate governance principles among Directors and with the Manager;
  - c) monitoring Board performance annually;
  - d) facilitating Board discussions to ensure core issues facing Investore are addressed;
  - e) briefing all Directors in relation to issues arising at Board meetings;
  - f) facilitating the effective contribution and ongoing development of all Directors;
  - g) promoting consultative and respectful relations between Board members and between the Board and the Manager; and
  - h) chairing Board and shareholder meetings.
- 6.5 Should the Chairperson 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 particular meeting.

## **7. Responsibility of Individual Directors**

- 7.1 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 Investore as a whole;
  - 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.

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

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

7.4 Directors are expected to undertake appropriate training to remain current on how best to perform their duties as Directors on behalf of Investore.

## **8. Conflicts of Interest**

8.1 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 1993 provisions and the NZX Limited Main Board Listing Rules on disclosing interests and restrictions on voting.

8.2 If a conflict or potential situation exists, it is expected that the conflicted Director shall be absent from the meeting whilst the Board discusses and 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 should not disqualify the Director from voting or being present. This clause 8.2 will not apply to the extent that:

- a) pursuant to the waiver granted by NZX dated 10 June 2016, a Director who is appointed by the Manager is permitted to vote on a matter in which he or she would otherwise be unable to vote due to being “interested” in that matter, but only in circumstances where the Manager is not a direct party to (or otherwise involved as a principal in) that matter; or
- b) NZX grants any other waiver or ruling that permits a Director who is appointed by the Manager to vote on a matter in which he or she would otherwise be unable to vote due to being “interested” in that matter.

8.3 Directors are expected to advise the Chairperson of any proposed board or executive appointment to other companies as soon as practicable.

## **9. Access to Information and Independent Advice**

9.1 Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgement in decision making. Independent professional advice includes legal advice and the advice of accountants and other professional financial advisors on legal, accounting and other regulatory matters, but excludes advice concerning the personal interests of the Director concerned (such as service contracts with Investore or dealing in Investore’s securities or

disputes with Investore). Any advice obtained under this procedure will be made available to the other members of the Board.

9.2 Directors will be entitled to:

- a) have access to the Manager at any time to request relevant and additional information or seek explanations;
- b) have access to internal and external auditors, without the Manager being present to seek explanations or additional information; and
- c) seek independent professional advice with the Chairperson's consent, which will not be unreasonably withheld or delayed, and which will be at Investore's expense.

## **10. Procedures**

10.1 In accordance with the Constitution:

- a) and subject to the proceedings set out in that document, the Directors may meet together to attend to business and adjourn and otherwise regulate their meetings as they decide;
- b) a quorum for Board meetings is two Directors, unless determined otherwise by Directors;
- c) Directors' meetings may be held by Directors communicating 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; and
- d) Directors may pass or approve resolutions of the Board by written resolution by adopting the procedures set out in clause 23.10 of the Constitution.

10.2 Formal Board meetings will normally occur five times a year, with additional meetings held when required.

## **11. Reporting**

11.1 Proceedings of all meetings are to be minuted and signed by the Chairperson or the chairperson of the meeting.

11.2 Minutes of all Board meetings are to be circulated to Directors promptly following a meeting and approved by the Board at the subsequent meeting.

## **12. Accountability**

12.1 The Board will review this Charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

### **13. Other Matters**

- 13.1 A number of operational matters relating to the Board such as meetings of Directors are governed by the Constitution and are not reproduced here.