

# Board Charter for Investore Property Limited

## 1. Purpose of Charter

- 1.1 This Board Charter (**Charter**) sets out the role, composition and responsibilities of the Board of Directors (**Board**) of Investore Property Limited (**Investore**) and is also applicable to boards of any wholly owned subsidiary of the company. The Charter focuses on the practices and functions that underpin the operation of the Board and the principles of corporate governance that assist Directors in performing their duties
- 1.2 The Board has ultimate responsibility for the strategic direction of Investore and for overseeing the operations of Investore, ensuring it is being managed appropriately and consistently with the delegations set by the Board.
- 1.3 This Charter does not attempt to provide a complete record of all formal and informal rules relevant to the Board. The Board is committed to operating in accordance with all applicable laws and regulations, the constitution of Investore (**Constitution**), the requirements of the NZX Listing Rules and the management agreement (**Management Agreement**) between Investore and Stride Investment Management Limited (**SIML** or the **Manager**).

## 2. Corporate Governance Framework

- 2.1 The Board:
- a) is committed to maintaining the highest standards of governance, operational quality and accountability in order to promote investor confidence; and
  - b) believes that high standards of corporate governance are essential for sustainable long-term performance and creating shareholder value.
- 2.2 The Board endorses the NZX Corporate Governance Code and takes into consideration contemporary corporate governance standards in New Zealand.
- 2.3 The Board has adopted a Code of Ethics for Investore which is a formal statement acknowledging the commitment of the Board and the Manager (including its employees and contractors who provide operational support for Investore) to maintaining the highest standards of honesty, integrity and ethical conduct in day-to-day practices and decision making within Investore. The Code of Ethics and Board Charter should be read together.

## 3. Board and Director Responsibilities

- 3.1 The Board of Investore has appointed SIML as the Manager and the Board has delegated authority for the operations and day-to-day administration of Investore to the Manager, in accordance with the Delegations of Authority and other delegations implemented by the Board from time to time.
- 3.2 The Board's responsibilities include the following:
- a) setting the strategic direction and appropriate operating frameworks that give effect to the strategy of Investore;
  - b) monitoring the Manager's performance within those frameworks and ensuring Investore is being managed appropriately;
  - c) approving and regularly reviewing Investore's internal decision making structure and any strategic policies, procedures, and Board and committee charters;
  - d) approving Investore's operating frameworks and systems, to ensure it is conducted in a safe, ethical and responsible manner;
  - e) approving Investore's annual financial budget and reviewing performance against that budget;
  - f) approving and monitoring financial reporting and capital management;
  - g) monitoring the financial solvency of Investore;
  - h) setting and monitoring Investore's dividend policy;
  - i) implementing effective audit, risk management and compliance systems, to protect Investore's business operations and minimise the risk of Investore operating beyond its legal requirements or outside its acceptable risk parameters;
  - j) planning, delivering, monitoring and reviewing effective health and safety within Investore, as considered further in section 4 of this Charter; and
  - k) ensuring there are adequate resources available to meet Investore's objectives;
  - l) reporting to stakeholders and ensuring timely and balanced communication is provided to stakeholders, aimed at clearly communicating the goals, strategies and performance of Investore, while having regard to the Market Disclosure Policy;

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- m) implementing a formal and transparent process for the review of Director remuneration, with remuneration then presented to shareholders for approval;
- n) planning for Board succession and identifying candidates for Director vacancies (other than a Director who is appointed by the Manager), based on the needs of the Board;
- o) evaluating the Board's performance, along with that of Board committees and individual Directors (including the Chair of the Board);
- p) safe-guarding the reputation of Investore and its operations; and
- q) giving proper attention to all matters before the Board, and acting in good faith and in the best interests of Investore.

## Responsibility of Individual Directors

3.3 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;
- b) acting with care and diligence and for proper purpose, keeping Board information, discussions, deliberations and decisions confidential;
- c) avoiding conflicts of interest wherever possible and avoid making improper use of information gained through the position of Director and from taking improper advantage of the position of Director;
- d) exercising Director duties within the parameters of the law, the NZX Listing Rules and best practice; and
- e) undertaking appropriate training to remain current on how best to perform Directors duties on behalf of Investore.

## 4. Commitment to Health and Safety

4.1 Directors oversee and review Investore's health and safety framework and strategy, which is centred around the Board's commitment to ensuring Investore's health and safety culture and practices comply with all legal requirements, reflect best practice in New Zealand and are recognised and

adhered to by the Manager, SIML employees, and any contractors engaged by Investore in day-to-day operations. The health, safety and wellbeing of individuals who interface with Investore's operations is a key priority for the Board and Investore.

## 5. The Board and the Manager

- 5.1 Responsibility for the day-to-day management, implementation of the strategic objectives and administration of Investore is delegated by the Board to the Manager.
- 5.2 The Manager manages Investore in accordance with the Management Agreement and the strategy, business plans and Delegations of Authority approved by the Board.
- 5.3 The Board has implemented appropriate procedures to assess the Manager's performance.
- 5.4 The Manager should provide information of sufficient content, quality and timeliness to the Board to enable it to effectively discharge its duties.

## 6. Director Membership, Independence and Rotation

- 6.1 The Constitution provides that there must not at any one time, be more than five or less than 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 where there are four Directors and at least three Directors must be Independent of the Manager where there are five Directors (as set out in clause 20.6 of the Constitution).
- 6.2 The Board should comprise:
  - a) Directors with an appropriate range of skills and experience;
  - b) Directors who have a proper understanding of and skill set to deal with the current and emerging issues of Investore; and
  - c) Directors who can effectively review and challenge the performance of the Manager and exercise independent judgement.

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6.3 The Board consists of a majority of non-executive Directors, with the intention that it will have a majority of Independent Directors (as defined in the NZX Main Board Listing Rules), and no less than two Directors being Independent Directors at any one time. An “Independent Director” is a non-executive director who does not have a disqualifying relationship. A disqualifying relationship means any direct or indirect interest, position, association, or relationship that could reasonably influence, or could reasonably be perceived to influence, in a material way, the Director’s capacity to:

- a) bring an independent view to decisions in relation to the Company;
- b) act in the best interests of the Company; and
- c) represents the interests of the Company’s investors generally,

having regard to the factors that may impact Director independence, if applicable.

Factors that may impact on a Director’s independence include:

- a) is or within the last three years has been employed in an executive capacity by the Company or subsidiary, or by the Manager as a senior manager or in a role which relates to Investore, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- b) is currently, or within the last 12 months, in a senior role in a provider of material professional services to Investore or any of its subsidiaries or the Manager;
- c) is, or within the last three years has been, in a material business or contractual relationship (i.e., a material supplier or customer) with the Company or subsidiaries, or an officer of or otherwise associated directly or indirectly with an entity which the Company is in a material business or contractual relationship with, other than as acting as a Director of Investore;
- d) is a substantial product holder of the Company, or a senior manager of, or person otherwise associated with, a substantial product holder of the Company;

e) has close family ties with anyone in the categories listed above;

f) having been a Director of Investore for a length of time that may compromise independence.

In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere with the Director’s capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its investors generally.

6.4 Independent of the Manager means, in respect of a Director (including any alternate Director), that (all capitalised terms in this paragraph have a corresponding meaning to the NZX Listing Rules unless otherwise defined in this Charter):

- 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 Investore’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.

6.5 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.

6.6 Appointment, rotation and retirement of Directors will be determined in accordance with the Constitution and the Listing Rules, noting that:

- a) Directors who are Independent of the Manager must not hold office without re-election, past the third annual meeting following their appointment or three years, whichever is longer; and

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- b) No Director who is appointed by the Manager will be required to retire by rotation.

## 7. Board Committees

- 7.1 The Board may discharge any of its responsibilities through committees of the Board in accordance with the Constitution and the NZX Listing Rules. Any such committee will adopt a charter setting out the delegated function, responsibility and purpose of each committee.
- 7.2 Committee chairs and members are appointed by the Board, with the Board to regularly review and evaluate the performance of any standing committee to ensure it is operating in accordance with its charter and all relevant Board delegations.
- 7.3 The Board has established a permanent Audit and Risk Committee which will assist the Board in providing oversight of all matters relating to risk management, financial management and controls, financial accounting, audit and the external risk reporting requirements of Investore and any subsidiary company.
- 7.4 A copy of the Audit and Risk Committee Charter is on the Investore website and the membership of this committee can be found in the latest Annual Report and on the Investore website.

## 8. Appointment and Role of the Chair

- 8.1 The Chair of the Board is appointed by the Directors and must be an independent non-executive Director, who is Independent of the Manager.
- 8.2 The role and responsibilities of the Chair of the Board includes:
  - a) providing leadership to the Board and to Investore;
  - b) promoting integrity and effectiveness in Board decision making, which includes fostering efficient and ethical practices at Board meetings and promoting a constructive governance culture;
  - c) facilitating Board discussions and Director contribution, and providing all Directors with the opportunity to discuss contrasting views and explore ideas, as necessary for the effective operation of the Board;

- d) maintaining regular engagement with the Manager's Chief Executive on operational issues and where necessary escalating matters to all Directors for consideration and resolution;
- e) promoting consultative and respectful relations between Board members and between the Board and the Manager; and
- f) representing Investore with shareholders, bondholders and stakeholders.

## 9. Disclosures of Interest and Conflicts of Interest

- 9.1 It is expected that Directors will be sensitive to actual and perceived conflicts of interest that may arise and they are expected to give ongoing consideration to this issue. As part of this responsibility, Directors are required to:
  - 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;
  - c) comply with the provisions of the Companies Act 1993 and the NZX Listing Rules on disclosing interests and restrictions on voting; and
  - d) comply with the Conflicts Policy adopted by the Manager and approved by the Board from time to time.
- 9.2 If a conflict or potential conflict situation exists, it is typically expected that the conflicted Director will remove themselves from the relevant part of the meeting while the Board discusses and votes on the matter, unless the balance of Directors who do not have a material personal interest in the matter agree and are satisfied that the interest should not disqualify that Director from being present or voting. Where Investore contemplates any variation or change to the Management Agreement or any related party payments affecting the Manager, only the Independent Directors will vote on such matters.

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9.3 Clause 9.2 will not apply to the extent that:

- a) pursuant to the waiver granted by NZX dated 20 March 2020, 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.

9.4 Directors are expected to advise the Chair and/or the company secretary of any proposed board or executive appointment to other companies as soon as practicable.

## 10. Board Meetings and Procedures

10.1 Board meetings and procedures are primarily governed by legislation and by the Constitution of Investore. Outside such requirements, Board meetings and procedures operate as follows:

- a) **Board Meetings** - the Board of Investore meets a minimum of 6 times per year (unless determined otherwise by the Chair), with additional meetings and conference calls scheduled as deemed necessary for Directors to undertake their duties;
- b) **Quorum** - the Constitution of Investore specifies a quorum for Board meetings as being three Directors present and entitled to vote, unless determined otherwise by the Board;
- c) **Minutes** - proceedings of all Board and committee meetings are minuted and signed by the Chair of the relevant meeting, subject to prior circulation to Directors and approval by the Board or relevant committee. All discussions at Board meetings and the meeting minutes remain confidential unless there is a specific direction from the Board or disclosure is required by law;
- d) **Electronic Communication** - 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

e) **Written resolutions** - 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.

## 11. Access to Information and Independent Advice

11.1 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.

11.2 Directors are entitled to:

- a) have access to the Manager at any time to request relevant and additional information;
- b) have access to internal and external auditors, without the Manager being present, to seek additional information; and
- c) seek independent professional advice with the Chair’s consent and which will be at Investore’s expense.

## 12. Professional Development and Induction for New Directors

12.1 Directors are expected to undertake appropriate training to remain current on how best to perform their duties as Directors of Investore. Directors visit Investore’s sites and operations, and attend stakeholder engagements and attend briefings with senior managers and industry experts.

12.2 Each new Director receives a letter of appointment setting out the key terms and conditions of their appointment. New Directors are provided with an induction pack containing a Directors’ guide, governance information, key policies and all relevant information necessary to prepare new Directors for their role, as well as access to executives of the Manager as appropriate to understand the nature of Investore’s business.

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## 13. Director Indemnity and Insurance

- 13.1 All Directors have the benefit of an indemnity as provided for in the Constitution and as permitted by the Companies Act 1993. Investore takes out Director and Officer Liability insurance, at the cost of the company. The existence of the indemnities and insurance is disclosed in the Interests Register of Investore.

## 14. Remuneration, Corporate Opportunity, Gifts or Benefits

- 14.1 All Directors are remunerated in the form of Directors' fees that are subject to shareholder approval. Additional fees are paid to the Chair of the Board and the Chair of the Audit and Risk Committee, to reflect the additional responsibilities of these roles.
- 14.2 Directors will not use for personal gain, opportunities that are discovered through the use of Investore's property or information disclosed to Directors by virtue of their position as a Director of Investore.
- 14.3 All Directors' expenses are approved by the Chair and the Chair's expenses are approved by the Chair of the Audit and Risk Committee.
- 14.4 Directors will not accept gifts or personal benefits of any value from any external party, if it would or could be perceived that this could compromise or influence any decision of Investore and under no circumstances will any Director accept cash gifts. Directors will not offer gratuities or other personal rewards designed to influence business transactions.

## 15. Trading in Shares

- 15.1 Directors may hold Investore shares, subject to limitations on their ability to deal in such shares by Investore's Trading in Securities Policy and New Zealand law.
- 15.2 These limitations include the requirement that Directors may not deal in Investore shares while in possession of 'inside information' (i.e., material information that is not generally known to the market) and, provided Directors have no inside information, they may only trade during specific periods of time during the year.

## 16. Evaluation of Board Performance

- 16.1 Directors conduct an annual evaluation of the Board as a whole, with Directors' views sought on issues relating to Board process, efficiency and effectiveness, for discussion by the full Board.

## 17. Other Matters/Review

- 17.1 A number of operational matters relating to the Board such as meetings of Directors are governed by the Constitution and are not reproduced in this Charter. To the extent that there is any inconsistency between this Charter and the Constitution, the Constitution will prevail.
- 17.2 The Board will review this Charter annually to ensure it remains consistent with the Boards' objectives and responsibilities. Any changes to the Charter will be approved by Directors. The Charter was last reviewed and approved by the Board in March 2021.