

# **BREWSTER HOLDINGS LIMITED BOARD CHARTER**

NZBN: 9429035664239

(May 2021)



# 1 Corporate governance

## 1.1 Responsibilities of the board

The Directors are responsible for protecting the rights and interests of the Company, its shareholders and other stakeholders, including creditors and employees.

The Board's responsibilities include:

- (a) protecting and enhancing the value of the assets of the Company;
- (b) demonstrating leadership;
- (c) setting strategies, directions and monitoring and reviewing against these strategic objectives;
- (d) oversee the conduct of the Company's business, including overseeing management in its implementation of the Company's strategic objectives in order to evaluate whether the Company is adequately managed;
- (e) ensuring that an appropriate framework exists for relevant information to be reported by management to the Board, and whenever required, challenging management and holding it to account;
- (f) ensuring that an appropriate framework exists for making timely and balanced disclosure of material information concerning the Company as required by law and applicable listing rules;
- (g) identifying, assessing, monitoring and managing risk and identifying material changes in the Company's risk profile to ensure the Company can take advantage of potential opportunities while managing potential adverse effects;
- (h) reviewing and ratifying internal controls, legal compliance, codes of conduct and any statement of values to underpin the desired culture within the Company;
- (i) monitor the Company's financial results;
- (j) selecting, appointing and evaluating performance and determining the remuneration of the Chief Executive Officer and Senior Management and an appropriate plan of succession;
- (k) ensuring the significant risks facing the Company have been identified and adequate control monitoring and reporting mechanisms are in place;
- (l) approval of transactions relating to acquisitions, divestments and capital expenditure above delegated authority limits;
- (m) determining the Company's Investment Policy;
- (n) approval of financial and dividend policy (refer to section 5); and
- (o) ensuring responsible corporate governance by monitoring the effectiveness of the Company's corporate governance practices.

To assist in the execution of the above responsibilities, the Board has in place two Board Committees comprising an Audit Committee and Remuneration Committee.

## **2 Structure of the board**

(a) Any references to a Chief Executive Officer in this Board Charter is deemed a reference to the Managing Director for the purposes of the Company's Constitution.

(b) As at the date of this Board Charter, the Company has not appointed a Chief Executive Officer. Until such time as a Chief Executive Officer is appointed, the Board shall delegate the responsibilities allocated to the Chief Executive Officer to other qualified persons including the Chairman and external service providers as and when appropriate.

(c) The number of Directors must not be less than 3 (Article 24.1 of the Company's Constitution). As at the date of this charter, there are 9 Directors of the Company.

(d) With the exception of the Chief Executive Officer, a Director may not hold office for more than three years or beyond the third annual general meeting following his appointment (whichever is the longer period) without submitting himself for re election (Article 24.10 of the Company's Constitution).

(e) The Board intends, subject to finding suitable candidates that have relevant experience, to ensure that the Board comprise a minimum of 1 independent Director. In assessing the independence of Directors, the Board will apply the definitions contained in the ASX Corporate Governance Council, *'Corporate Governance Principles and Recommendations'* (4<sup>th</sup> ed) as set out in Schedule 5.

(f) The Board shall regularly review its composition to ensure that the Board continues to have a mix of skills and experience necessary to conduct the Company's business.

## **3 Appointment, retirement and rotation**

(a) The retirement, rotation and appointment of Directors is covered by Article 24 of the Company's Constitution, namely:

(i) at every annual general meeting, if and for so long as there are:

(A) 3 or more Relevant Directors (as defined in the Company's Constitution), one-third of the Relevant Directors or, if their number is not a multiple of 3 then the next lowest whole number of Relevant Directors divisible by 3; and

(B) fewer than 3 Relevant Directors, one Relevant Director, will retire from office and be eligible for re-election.

(ii) Notwithstanding Article 24.1 of the Company's Constitution, each Relevant Director will retire from office no later than at the third annual general meeting following his or her last election or appointment by a general meeting, but may submit himself or herself for and will be eligible for re-election.

(iii) The Relevant Directors to retire under Article 24.10 of the Company's Constitution will be those who have been longest in office.

(iv) As between 2 or more Relevant Directors who have been in office an equal length of time, the Directors to retire will be determined by lot, failing agreement between them.

(v) Where a Director has previously vacated office, the length of time which that Director has been in office will be computed from the Director's last election or appointment by a general meeting.

(vi) No person other than a Director retiring in accordance with the Constitution is eligible for election to the office of Director at any meeting of Members unless:

(A) in the case of a person whose nomination is recommended by the Directors, at least 10 Business Days before the meeting; and

(B) in any other case, at least 15 Business Days before the meeting. There has been left at the Office of the Company:

(C) a notice in writing signed by a Member duly entitled to attend and vote at the meeting for which notice is given of that Member's intention to propose the person for election; and

(D) notice in writing signed by the person of his or her willingness to be elected.

(vii) Members duly entitled to attend and vote at the meeting may also propose themselves for election as a Director in accordance with the Company's Constitution.

(viii) The Company must give to Members not less than Prescribed Notice of each and every candidate for election as a Director at a meeting of Members.

(b) The appointment of any new Director will be made by, and in accordance with, a formal letter of appointment setting out the key terms and conditions relative to that appointment.

(c) The Board will ensure that any new Director is appropriately introduced to the Company and amongst other things, will provide to any new Director:

(i) a copy of the Company's constitution;

(ii) a copy of this Board Charter;

(iii) the most recent Annual Report of the Company;

(iv) a draft of the Deed of Indemnity given by the Company to a Director; and

(v) where appropriate, a summary of the most recent strategic plan of the Company.

(d) The Board will also ensure that any new Director is acquainted with:

(i) knowledge of the industry within which the Company operates; and

(ii) briefings with key executives and industry experts where appropriate.

(e) Although Directors are elected by the shareholders to bring special expertise or perspective to Board deliberations, the best interests of the Company will be paramount at all times.

#### **4 Remuneration**

(a) The fees payable to non executive Directors are determined by the Board within the aggregate amount approved by shareholders.

(b) At the Company's Annual General Meeting held on 2 December 2016, shareholders approved that the aggregate amount of fees payable to non- executive Directors shall not exceed \$1,500,000 per year.

#### **5 Directors' retirement benefit**

During Directors' tenure as Directors of the Company, the Company will make superannuation guarantee payments on behalf of Directors at the rate prescribed by, and in accordance with, the provisions of the superannuation guarantee legislation from time to time. Superannuation is included in the fees described in 4.4(a).

#### **6 Independent counsel**

An individual Director may engage separate independent counsel or advisors at the expense of the Company in appropriate circumstances, including where necessary to assist in fulfilling their relevant duties and responsibilities, with the approval of the Chairman or by resolution of the Board.

#### **7 Board meetings**

##### **(a) Agenda**

The Chairman, with the assistance of the Chief Executive Officer and Company Secretary, establishes the agenda for each Board Meeting. Each Director is able to suggest the inclusion of items on the agenda.

##### **(b) Number of Meetings**

The Board normally meets at regular times during a year. Telephone or video conferences are held if required.

#### **8 Directors' obligations**

(a) Directors must:

- (i) act in the best interests of the Company;
- (ii) at all times act honestly in the exercise of his or her powers and the discharge of the duties of his or her office;
- (iii) exercise the degree of care and diligence that a reasonable person in a like position in a corporation would exercise in the Company's circumstances (refer to section 4.8(b));

- (iv) ensure that at all times they have a good understanding of strategies and the businesses conducted by the Company;
- (v) carefully study Board materials and issues;
- (vi) be active, objective and constructive in their participation at meetings of the Board and Board Committees;
- (vii) assist in representing the Company to the public;
- (viii) counsel on corporate issues; and
- (ix) ensure that they have a good understanding of general economic trends and corporate governance.

(b) A Director will be deemed to have met the requirement of care and diligence, as set out in section 4.8(a)(iii), if:

- (i) the judgement was made in good faith and for proper purpose;
- (ii) the Director has disclosed any material personal interest in the subject matter of the judgement;
- (iii) the Director informed himself/herself about the subject matter of the judgement to the extent he/she reasonably believes to be appropriate; and
- (iv) the Director rationally believes that the judgement is in the best interests of the Company.

## 9 Dividend policy

9.1 The Company's dividend policy will be based primarily on the earnings, cash flow and business requirements of the Company. The current intention of the Board is that the dividend paid will represent 65% of net profit after tax. The Board will review this policy in light of any future acquisitions which the Company makes and its financial profile after making such acquisitions.

9.2 Notwithstanding this general policy statement, the Board has a discretion to change its payout percentage to reflect its perception of the cash requirements of the business of the Company and in the best interests of shareholders.

## 10 Conflicts of interest

### 10.1 Company's acknowledgments

(a) Some of its Directors (in this section referred to as the "**Common Director**") may, from time to time, hold directorships in other companies (in this section referred to as "**the Other Company**").

(b) Any information confidential to the Other Company which a Common Director possesses and which came into his or her possession in the course

of the performance of his or her duties as an officer of the Other Company cannot and shall not be communicated to the Company or any officer or employee of the Company without the consent of the Other Company.

(c) Any information which a Common Director possesses in relation to the Other Company which is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities of the Other Company cannot and shall not be communicated to the Company or any officer or employee of the Company.

## **10.2 Meetings at which conflicts arise**

(a) Where at any meeting of the Company it is proposed to discuss any matter which gives rise or may give rise to a conflict or a real sensible possibility of a conflict of interest between the duties and obligations of the Common Director to the Company and to the Other Company, the Common Director:

- (i) must not be present while that matter is being considered; and
- (ii) must not vote on that matter,

unless the other Directors pass a resolution that states, effectively, that those Directors, having considered the nature and extent of the conflict or possible conflict, are satisfied that the matter should not disqualify the Common Director from being present or voting.

(b) A Common Director may at any meeting of the Company request that the meeting be postponed or temporarily adjourned to enable him or her to seek legal advice on whether he or she can:

- (i) be present while the matter in question is being considered; and
- (ii) vote on the matter in question.

## **11 Board committee**

11.1 The current Committees of the Board include the Audit and Risk Committee and the Remuneration and Nomination Committee.

11.2 The Board Committees review and analyse policies and strategies, usually developed by management, which are within their terms of reference (detailed below).

11.3 The Board Committees examine proposals and, where appropriate, make recommendations to the Board.

11.4 The Board Committees do not take action or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so.

11.5 The composition and terms of reference for the Board Committees are reviewed annually by the Board. The Chairman assesses the effectiveness of each Board Committee annually.

11.6 A Board Committee may engage separate independent counsel or advisors at the expense of the Company, in appropriate circumstances, with the approval of the Chairman or by resolution of the Board.

## **12 Audit and Risk committee**

The Company has established a separate Audit and Risk Committee Charter.

## **13 Remuneration and Nomination committee**

### **13.1 Purpose**

The Remuneration and Nomination Committee is a committee of the Board. The Remuneration and Nomination Committee's remuneration purposes are to:

- (a) review and make recommendations to the Board on remuneration packages and policies applicable to senior executives and Directors;
- (b) define levels at which the Chief Executive Officer must make recommendations to the Committee on proposed changes to remuneration and employee benefit policies;
- (c) ensure that remuneration packages and policies attract, retain and motivate high calibre executives; and
- (d) ensure that remuneration policies demonstrate a clear relationship between key executive performance and remuneration.

The Remuneration and Nomination Committee's nomination purposes are to:

- (a) undertake regular reviews of the structure and size of the Board to ensure that the Board continues to have a mix of skills and experience necessary to conduct the Company's business and to make any consequential recommendations to the Board;
- (b) identify individuals qualified to become directors for and to make recommendation to the Board about potential nominees;
- (c) assess the suitability of individuals in accordance with the director selection criteria identified by the Committee and listed in 9.6;
- (d) conduct appropriate inquiries into the backgrounds and qualifications of director nominees. The Committee will determine each proposed nominee's appropriateness for service on the Board;
- (e) assist in the evaluation of the performance and effectiveness of the Board and each director before recommending to the Board his or her nomination for an additional term as director;



- (f) at the request of the Board review the composition of each committee and to present recommendations for committee memberships to the Board;
- (g) periodically review and reassess the adequacy of this Charter and to recommend any proposed changes to the Board for approval; and
- (h) any other duties and responsibilities referred to it by the Board.

### **13.2 Membership and Structure**

- (a) The Remuneration and Nomination Committee shall consist of 3 non-executive directors with at least two members being an independent director if there is an independent director on the Board at the relevant time. Refer to section 2 for a list of the current members of the Remuneration and Nomination Committee.
- (b) The Remuneration and Nomination Committee shall appoint one of the members of the Committee as the Chairperson of the Remuneration and Nomination Committee. It is the responsibility of the Chairperson of the Remuneration and Nomination Committee to schedule all meetings of the Committee and to provide the members of the Remuneration and Nomination Committee with a written agenda.
- (c) The Company Secretary, or his appointee, will act as secretary of the Remuneration and Nomination Committee and will circulate minutes of the meetings.

### **13.3 Meeting**

- (a) Any member of the Remuneration and Nomination Committee may call a meeting of the Remuneration and Nomination Committee.
- (b) As a minimum, the Remuneration and Nomination Committee shall meet twice a year in order to review and make recommendations to the Board on remuneration packages and policies applicable to senior executives and Directors, and to review the structure and size of the Board and to make any consequential recommendations. The Chairperson of the Remuneration and Nomination Committee, or delegate, shall report to the Board following each meeting.
- (c) A member of the Remuneration and Nomination Committee is not entitled to be present at a meeting of the Remuneration and Nomination Committee when his own remuneration package is being evaluated.
- (d) The Remuneration and Nomination Committee may invite any executive management team members or other individuals to attend meetings of the Remuneration and Nomination Committee, as they consider appropriate.
- (e) The Remuneration and Nomination Committee shall have direct access to the Company's officers and advisers, both external and internal, and shall have the authority to seek whatever independent, professional or other advice it requires in order to assist it in meeting its responsibilities from outside the Company.