



Marlborough Lines Governance Manual

as adopted by the Board of Marlborough Lines Limited on 18 February 2020

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1. Introduction

This is the Corporate Governance Manual of Marlborough Lines Limited. Marlborough Lines and its Directors are committed to ensuring that the Company and its subsidiaries conduct their business in accordance with the highest ethical standards and applicable corporate governance best practice.

In 2004, the directors adopted a Corporate Governance Manual comprised of formal charters, protocols and policies with the intent to guide the directors and staff of Marlborough Lines so that the business of the Company was conducted in accordance with high standards and reflected corporate governance best practice at the time. The Corporate Governance Manual reflected the then “Principles of Governance in New Zealand” published by the Securities Commission.

In 2018, the Financial Markets Authority (FMA) (which succeeded the Securities Commission) revised its guidance on corporate governance and published a new handbook reflecting revised corporate governance principles. Whilst the revised principles do not impose new legal obligations, the directors have reviewed the Corporate Governance Manual to take into account the revised guidance and developments in corporate governance best practice since the adoption of the Manual. This Manual now reflects revisions made as a consequence of that review.

The Company has chosen to comply with the corporate governance principles and guidelines issued by the FMA so far as applicable and to report annually on compliance with those principles.

This Governance Manual, which will be made available on the Company’s website, consists of a series of formal charters and protocols which address various governance topics.

Governance rules and best practice will continue to evolve. This Governance Manual and the charters and protocols will be kept under review to ensure they are current.

In this Governance Manual references to “Marlborough Lines”, and the “Company” are references to Marlborough Lines Limited and its subsidiary and associate companies. Reference to “shareholders” is reference to the six elected Trustees of the Marlborough Electric Power Trust who hold the shares of the Company on behalf of the consumer beneficiaries.

2. Company Code of Ethics (Conduct)

The FMA corporate governance principles refer to the establishment and disclosure of a Company code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.

The Company has adopted a code of conduct which outlines:

- a commitment by the Marlborough Lines Board of Directors (the “Board”) and management to a code of conduct;
- the Company’s responsibility to its shareholders and the Marlborough community;

- the Company's responsibilities to clients, consumers and customers, suppliers and competitors;
- the Company's employment practices;
- the Company's obligations that relate to fair trading and dealing;
- the Company's responsibilities to individuals (confidentiality etc.);
- how the Company complies with relevant legislation; and
- a commitment by the Board to operate as a commercial business.

The Code of Conduct is attached as Appendix 1.

3. Board Charter

A Board Charter has been adopted (Charter).

The Charter outlines:

- the purpose of the Company;
- the role and responsibilities of the Board;
- the Board's relationship with its shareholders and other stakeholders;
- delegations to management and committees;
- Board procedures;
- management reporting and dealing with employees;
- the composition of the Board;
- ethical behaviour and conduct;
- conflicts of interest, corporate opportunities, confidentiality, other Board appointments, independent advice and indemnity and insurance;
- the chair of the Board;
- director induction and training; and
- review of the performance of the Board.

The Charter is attached as Appendix 2.

In addition, a specific Health and Safety Charter (H&S Charter) has been adopted by the Board to support its focus on workplace health and safety.

The H&S Charter is attached as Appendix 3.

4. Board Committees

The Board may from time to time establish appropriate committees to assist it by focusing on specific responsibilities in greater detail than is possible for the Board as a whole, reporting to the Board and making any necessary recommendations.

The Board has adopted a standard form Committee Charter which is attached as Appendix 10.

There is currently one standing committee, the Audit and Risk Committee. The Audit and Risk Committee Charter, which is based on the standard form Committee Charter adopted by the Board, is attached as Appendix 4.

5. Protocols Relating to Financial Accounting and Reporting of the Company and Certification of Financial Reports

The Board has adopted a formal protocol that outlines the practices and procedures the Board will follow in relation to audit matters, namely:

- in relation to external audit
 - the establishment of guidelines for recommendations to be made to the Controller and Auditor-General in relation to the appointment of a private audit practitioner as auditor.
 - the requirement for the Board to review and consider the:
 - auditors annual plan;
 - audit fees;
 - qualifications of the external auditor;
 - review of effectiveness and independence of the auditor; and
 - policies to ensure auditor independence.
- in relation to the financial statements
 - the review of financial statements, financial reporting issues and judgments and the clarity and completion of disclosure; and
 - requiring a certificate from the Chief Executive Officer and Chief Financial Officer to state that the financial reports present a true and fair view of the Company's financial position.
- in relation to internal controls
 - the consideration and review of internal processes adopted by the Company in relation to audit and risk management.

The Accounting and Reporting Protocol is attached as Appendix 5.

6. Board Performance

The Board and directors' annual performance evaluation process is set out in the Board Charter and involves the Board comparing the performance of the Board with the requirements of its Charter.

The Performance Evaluation Policy is attached as Appendix 6.

7. Shareholder and Stakeholder Communication

The Board recognises the importance of ensuring the Company engages with its shareholders and other stakeholders.

A Policy regarding shareholder and stakeholder communication that encourages effective, timely and accessible communication by the Company to its shareholders and stakeholders has been adopted.

The Shareholder and Stakeholder Communication Policy is attached as Appendix 7.

8. Risk Recognition and Management

The Company's policies relating to risk include procedures regarding risk:

- oversight;
- identification and the profile of such risks;
- management; and
- compliance and control.

The Risk Management Policy is attached as Appendix 8.

9. Director and Executive Remuneration

The Company has a Remuneration Policy for directors and executives which, in the case of executives, includes an element that is dependent on performance by the executives concerned.

The Remuneration Policy is attached as Appendix 9.

18 February 2020

Appendices

APPENDIX 1 – CODE OF CONDUCT

1. Introduction

The Company's Code of Conduct (the "Code") is the framework of the ethical and professional standards that the Company's directors and employees are expected to conduct their professional lives by. This Code is not intended to prescribe an exhaustive list of acceptable and unacceptable behaviour and conduct, rather, it is intended to facilitate decisions that are consistent with the Company's values, business goals and legal and policy obligations, thereby enhancing performance outcomes.

The Company's Directors and executive team are expected to lead according to these ethical and professional standards and to ensure that they are communicated to the people who report to them.

If you have any questions or concerns about an ethical question, or become aware of a breach of a legal obligation or one of the Company's policies, let a person you consider appropriate know as soon as possible.

2. The Company's Commitment

The Company's directors and senior executives are firmly committed to ensuring that they and all employees act honestly, observe the highest standards of ethical and professional behaviour and conduct and act with personal and professional integrity in accordance with the law. This Code is an integral part of the Company's business. Behaviour by representatives of the Company, at all levels, must reflect the content of this Code.

3. Responsibilities to the Shareholders and the Marlborough Community

The Company will ensure that it continues to meet the expectations of its shareholders and the Marlborough community in general by maintaining a core principle of transparency, accurate preparation and efficient delivery of financial information.

The Company will exercise diligence and good faith in the preparation of financial information.

All employees will play their part in ensuring the maintenance of a sound system of controls to safeguard the Company's assets and to manage risk exposure.

4. Responsibilities to Consumers and Customers, Suppliers and Competitors

The Company is committed to ensuring that it acts with integrity in all activities, including interaction with consumers, customers, suppliers and competitors. Particularly, the Company will act fairly and avoid engaging in conduct that is misleading or deceptive, or is likely to mislead or deceive.

5. Responsibilities to Employees

The Company is committed to being a responsible corporate citizen that fulfils all legal obligations relating to employment practices and, as a result, enables the Company's directors and employees to actively enhance the operation of the Company and the community within which the Company operates.

The Company will provide a workplace that at all times seeks to minimise health and safety risk to its employees. Employees are encouraged to acquaint themselves with all applicable health and safety policies of the Company. The Company has procedures in place regarding incident reporting.

Employees should feel that they can discuss, on a confidential basis, any problem associated with their employment with the Company. The Company will endeavour to provide a fair, impartial and confidential determination of the issues raised.

The Company considers diversity in the workforce a very positive factor and is committed to providing a workforce in which everyone is treated fairly and with respect, irrespective of gender, race, sexual orientation, age, disability, religion or ethnic origin.

6. Conflicts of Interest

A conflict of interest occurs when an individual's interests interfere, or appear to interfere, with the Company's interests. The Company expects its directors and employees to act in its interests at all times.

The Company's employees will not, without the prior consent of the Company:

- engage in any other business or commercial activities which would conflict with their ability to perform their duties to the Company; and
- engage in any other activity which could conflict with the Company's interests.

7. Gifts

The receipt of gifts or favours by directors and employees of the Company from a party with whom the Company has a contractual relationship or a potential relationship can potentially compromise the director or employee, and hence the Company.

Accordingly, the Company has a policy that no gifts or favours can be accepted from any party which has any form of contract or potential contract, albeit supplier or customer of the Company to any directors or employee of the Company.

In instances where such a gift is provided, the supplier is to be advised that it is a requirement of the Company that directors and employees not accept such gifts on an individual basis and that, if such gifts are received, these will become the property of the Company. It may be that such gifts are given to the staff Social Club. Each instance will depend on the actual circumstances.

"Gifts" and "personal benefits" include accommodation, goods, services, discounts, and special terms on loans.

8. Corporate Opportunities

The Company expects its directors and employees to advance its legitimate interests when the opportunity to do so arises and act in good faith in what they believe to be the best interests of the Company.

The Company's directors or employees will not:

- take for themselves any opportunity discovered through the use of the Company's property, information or position; or
- use for personal gain the Company's property (including its name), information or position; or
- compete with the Company.

9. Confidentiality

The Company's customers, suppliers, employees and other stakeholders entrust the Company daily with their confidential communications and information. Confidential information includes all information not in the public domain that has come to the attention of one of the Company's directors or employees by virtue of engagement with the Company.

Directors and employees will maintain and protect the confidentiality of confidential information entrusted to the Company about customers, employees, suppliers, stakeholders and the Company's business and financial affairs, except where disclosure is allowed or required by law.

10. Behaviours

The actions and statements of the Company's directors and employees, whether in relation to customers, suppliers, competitors, or employees, can impact on the way people see the Company and whether they choose to do business with the Company. Accordingly, directors and employees will:

- conduct themselves in a way that demonstrates that their honesty is beyond question and will not behave in a way that has the potential to bring the Company's image into disrepute;
- deal honestly with the Company, its professional advisors, customers, and suppliers;
- not enter into transactions or make promises on behalf of the Company that the Company does not intend to honour or likely to create a substantial risk of serious loss to creditors;
- undertake their duties with care and diligence;
- ensure that any personal opinions expressed are clearly identified as their own and are not represented to be the views of the Company;
- if relevant and to the best of their ability, use reasonable endeavours to ensure that the Company's records and documents, including financial reports, are true, correct and conform to the Company's reporting standards and internal controls; and
- not accept or offer bribes or improper inducements to or from anyone.

11. Compliance with Laws and Policies

Directors and employees are strongly encouraged to familiarise themselves with the Company's policies, frameworks and processes (including those relating to equal employment opportunities and health and safety).

The Company's directors and employees will:

- abide by the laws, rules and regulations of the countries in which they are operating;
- undertake training on legal obligations and policies; and
- comply with all statutory and internal disclosure requirements on a timely basis.

12. Delegated Authority

The Board delegates management of the day-to-day affairs and management responsibilities of the Company to the Chief Executive Officer who will deliver the strategic direction and goals determined by the Board. This delegation includes:

- operating the Company's business within the parameters set by the Board from time to time and, where a proposed transaction, commitment or arrangement exceeds these parameters, referring the matter to the Board for its consideration and approval;
- developing business plans, budgets and Company strategies for the Board's consideration and, to the extent that they are approved by the Board, implementing these plans, budgets and strategies;
- identifying and managing business risks, and if those risks could materially affect the Company or its business, formulating strategies to manage those risks;
- managing the Company's current financial and other reporting mechanisms to ensure that they are functioning effectively to capture all relevant material information on a timely basis; and
- implementing the Company's internal controls, policies and procedures, monitoring these controls, policies and procedures and ensuring that they are appropriate and effective.

Employees will:

- only act within the delegated authority framework and any authority that may be specifically given to them as a delegate authority holder; and
- ask their manager if they are uncertain as to their delegated authority.

13. Reporting Concerns

The Company has escalation procedures for the reporting of any breach of this Code of Conduct, legal obligation or other policies of the Company.

If an employee becomes aware of a breach of this Code of Conduct or any breach of a legal obligation or other policy of the Company, they are required to report it to their manager or the Chief Executive Officer. If this is not appropriate in the circumstances, they should report the breach to the Chair.

The Company will stand behind any employee who, acting in good faith, reports a breach, serious problem or wrongdoing. The identity of the person making the report will be kept confidential where possible – there may be situations, however, where the proper investigation of the matter identifies the reporter or requires their identification.

Any person who knowingly makes a false report of a legal or policy breach may be subject to disciplinary action in accordance with their terms of employment.

14. Monitoring and Annual Review

The directors will monitor adherence to this Code of Conduct and undertake appropriate action where the standards of behaviour required by it have not been observed.

This Code will be reviewed annually.

APPENDIX 2 – BOARD CHARTER

1. Introduction

This Charter formalises and sets out the manner in which the Board’s powers and responsibilities will be exercised and discharged, adopting principles of good corporate governance and practice that accord with best practice and the applicable laws in New Zealand.

2. General

The purpose of the Company is to operate as a successful business by:

- carrying on business as an electricity distributor in the Marlborough District and such other districts as the directors may determine and in doing so provide a safe and reliable supply of electricity of adequate capacity to meet legislative and consumers’ requirements;
- carrying on or investing in other businesses associated with the electricity sector in accordance with the Company’s Statement of Investment Policy; and
- carrying on or investing in other businesses in accordance with the Company’s Statement of Investment Policy.

3. Role of the Board

The Board is ultimately responsible for setting the strategic direction of the Company, oversight of the management of the Company and direction of its business strategy, with the ultimate aim being an increase in shareholder value. The Board is accountable to the shareholders for the performance of the Company.

4. Responsibilities of the Board

In carrying out its principal function, the Board’s specific responsibilities include:

- providing leadership and setting the strategic direction for, and approving, the Company’s business strategies and objectives;
- overseeing the implementation of strategic objectives by management and the performance of management generally;
- reviewing and approving the Company’s budgets and business plans and monitoring the management of the Company’s capital, including the progress of any major capital expenditures, acquisitions or divestitures;
- ensuring that the Company adheres to high standards of health and safety including by adhering to the Health and Safety Charter;
- providing leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed;

- identifying the principal risks faced by the Company and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks;
- monitoring the operational and financial position and performance of the Company;
- requiring that financial and other reporting mechanisms are put in place by the Chief Executive Officer which result in adequate, accurate and timely information being provided to the Board and the Company's shareholders being fully informed of all material developments relating to the Company;
- appointing and, where appropriate, removing the Chief Executive Officer, monitoring the performance of the Chief Executive Officer and planning for succession;
- reviewing and approving the Company's remuneration policies;
- establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;
- adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards;
- approving delegated authority policies;
- ensuring that the Company's delegations and compliance policies and procedures are adhered to, to ensure that the business of the Company is conducted in an open and ethical manner; and
- monitoring the effectiveness of the Company's governance practices.

5. Board's Relationship with its Shareholders and Stakeholders

The Board will use all reasonable endeavours to familiarise itself with issues of concern to the Company's shareholders and stakeholders.

The Board will regularly evaluate economic, political, social and legal issues and other relevant external matters that may influence or affect the development of the Company's business or the interests of its shareholders and, if thought appropriate, will take outside advice on these matters.

The Company recognises that its long-term prosperity is closely intertwined with the needs and concerns of its consumers, customers and employees.

Further information on this relationship is outlined in the Shareholder and Stakeholder Communication Policy in Appendix 7.

6. The Board will appoint the Chief Financial Officer to be the Company Secretary

The Company Secretary will be responsible for implementing the arrangements for meetings of the Board and the Company, ensuring that all Board and Company procedures are followed and applicable legal and constitutional requirements in respect of the conduct of the Board's affairs and those of the Company are complied with.

Without limiting the foregoing, the Company Secretary will be responsible for:

- maintaining the registers, minutes, records and documents required by law and/or the constitution of the Company;
- ensuring that all filings required to be made by the Company under statute are made; and
- providing advice and services to directors for the purposes of the Board's statutory and regulatory obligations, affairs and its business.
- Despite any other provision in this Charter, all directors, and particularly the Chair, have authority to deal with and seek advice from the Company Secretary.

7. Board Procedures

The conduct of directors will be consistent with their duties and responsibilities to the Company. The Board will be disciplined in carrying out its role, with an emphasis on strategic issues and policy.

Directors will use all reasonable endeavours to attend Board meetings and to prepare thoroughly. Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board table.

Directors unable to attend a meeting will advise the Chair at the earliest date possible and confirm this in writing with the Chair.

8. Relationship between the Board and Management

The Board, through formal delegated authorities, delegates management of the day-to-day affairs and management responsibilities of the Company to the Chief Executive Officer who is accountable for the delivery of the strategic direction and goals determined by the Board. This delegation to the Chief Executive Officer is outlined in the Delegated Authority section of the Code of Conduct.

9. Management Reporting and Dealing with Employees

The Board's emphasis is on receiving high-quality, succinct and focused reporting and clear, reasoned, concise decision papers.

The Board expects management reporting to be timely and candid and to provide an appropriately comprehensive picture of the performance of the company, its subsidiaries and investments.

Directors have no authority to deal direct with or instruct employees. All dealings with employees are to be conducted through the Chief Executive Officer. In the absence of the Chief Executive Officer, Directors may approach senior executive staff for information provided that any such approaches are notified to the Chief Executive Officer.

10. Delegation of Responsibilities to Committees

The Board may, from time to time, establish committees to assist it in carrying out its responsibilities. For each committee the Board shall adopt a formal charter that sets out the delegated functions and responsibilities for, and the composition and any administrative matters relating to, that committee. A standard form of a committee charter has been developed.

The Board has adopted a standard committee charter to apply, with appropriate modifications, on the establishment of committees. The standard committee charter is Appendix 10 to the Governance Manual.

All papers for all committees and formal minutes of each committee meeting will be prepared and made available to directors. A verbal report on committee matters and meetings is to be provided at each full Board meeting

The Board is responsible for the oversight of its committees. This oversight shall include, in relation to each committee, determining and reviewing its composition and structure and regularly reviewing its performance against its charter.

11. Directors

11.1 Composition and Numbers of Directors

The Constitution provides for a maximum number of eight directors. Directors are appointed by the shareholders who are required under the terms of their Trust Deed to advertise for candidates and to procure an independent evaluation of the prospective candidates by a professionally qualified consultant. While the Board is not responsible for director appointment, it acknowledges that an effective Board should have a balance of independence, skills, knowledge, experience and perspectives.

The Chair will consult with the shareholders in relation to director appointments.

12. Ethical Behaviour

Directors are expected to observe the highest standards of ethical behaviour and conduct and to comply with this Charter.

13. Conduct

Directors will conduct themselves in accordance with the Code of Conduct in Appendix 1.

14. Conflicts of Interest

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interest. It is expected the directors will be sensitive to actual and perceived conflicts of interest that may arise, and it is something to which they are expected to give ongoing consideration.

Each director will fully disclose all relationships they have with the Company, and relevant private or other business interests to the Board, in order that the Board is aware of potential conflicts of interest.

The Board has determined that, in circumstances where a conflict of interest arises, unless the Chair considers the knowledge or expertise of that director is required to enable the Board to make a sound decision in respect of the matter being considered, the conflicted director should remove himself or herself from the discussion and not vote on matters in which he or she has a personal interest.

15. Corporate Opportunities

Directors will not take any opportunity discovered through the use of the Company's property, information or position for themselves or use the Company's property, information or position for personal gain.

Directors will not be materially engaged or interested in any other business in the same industry as the Company nor engage in any other activity which could conflict with the Company's interests, except as otherwise authorised by the Chair.

16. Confidentiality of Information

Directors will, during their appointment and after, maintain and protect the confidentiality of information entrusted to the Company about consumers and customers, employees, suppliers, stakeholders and the Company's business and financial affairs, except where disclosure is allowed or required by law.

16.1 Other Board Appointments

A director is, while holding office, at liberty to accept other board appointments so long as the appointment is not in conflict with the business of the Company and does not detrimentally affect their performance as a director of the Company. All other appointments must first be discussed with the Chair before being accepted.

16.2 Independent Advice

Any director is entitled to obtain independent professional advice relating to the affairs of the Company or to their other responsibilities as a director. If a director considers such advice is necessary, the director must first obtain the approval of the Chair.

16.3 Indemnity and Insurance

Subject to the Company's constitution, 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 by law.

16.4 Chairperson

The directors may elect one of their number as chairperson of the Board.

The Chair is responsible for:

- representing the Board to the Company's shareholders;
- ensuring the integrity and effectiveness of the governance process of the Board; and
- maintaining regular dialogue with the Chief Executive Officer over all operational matters and will consult with the remainder of the Board as necessary.

The Chair will act as a facilitator at meetings of the Board to ensure that no member dominates discussion, that appropriate discussion takes place, and that relevant opinion among directors is forthcoming.

17. Board Meetings

Board meetings will generally be held at intervals of not more than eight weeks and more often as required.

Board papers must be provided to directors sufficiently prior to Board meetings to allow attendees to become familiar with the issues to be addressed. The Company shall ensure that directors are receiving information of sufficient content, quality and timeliness as the Board considers necessary to enable the Board to effectively discharge its duties.

18. Director Induction and Training

All new directors appointed to the Board will undertake an induction programme co-ordinated by the Chief Executive Officer which will provide such information as will enable new directors to understand the scope of the business of the Company so as to assist them in fulfilling their duties and responsibilities.

Directors are expected to keep themselves abreast of changes and trends in the environment and markets in which the Company operates as well as trends in the economic, political, social and legal climate generally.

Directors will commit to the appropriate level of ongoing training and continuing skills development to ensure they continue to contribute to the strategic direction of the Company and their roles in accordance with best practice.

Each year, individual members of the Board will be evaluated by a process which involves the Board determining the matters to be covered in respect of each member about themselves and about each other including the Chair. The director evaluation process is intended to result in the collection of individual director responses and for the Chair to discuss that information in relation to each director and a nominated director in respect of the evaluation of the Chair.

19. Governance of Subsidiaries

The Board will require all subsidiaries to adopt a Board Charter consistent with this Charter. Additional governance requirements may also be set out in a shareholder's expectation document.

20. Directors' Performance Evaluation

The Board shall undertake an annual performance evaluation of itself that:

- compares the performance of the Board with the requirements of this Charter;
- reviews the performance of the Board's committees (if any);
- sets forth the goals and objectives of the Company for the upcoming year; and
- effects any improvements to this Charter deemed necessary or appropriate.

The performance evaluation shall be conducted in such a manner as the Board deems appropriate.

21. Process for Monitoring of Code of Conduct

The Board will implement a process which enables it to monitor compliance with the Code of Conduct.

22. Inconsistency with Constitution

To the extent that there is any inconsistency between this Charter and the Constitution of the Company, the Constitution prevails.

APPENDIX 3 – BOARD HEALTH AND SAFETY CHARTER

1. Introduction

The Directorate of Marlborough Lines is committed to ensuring health and safety in all aspects of the Company's operations and in accordance with the Health and Safety at Work Act 2015 (Act) will:

- Ensure, so far as is reasonably practicable, the health and safety of workers employed or engaged by it while they are at work in the business or undertaking of Marlborough Lines.
- Specifically:
 - Provide and maintain a work environment that is without risks to health and safety and provide and maintain safe plant and structures and systems of work.
 - Ensure the safe use, handling and storage of plant, structures and substances.
 - Provide adequate facilities at work for the welfare of workers, including ensuring access to these facilities.
 - Provide information, training and supervision necessary to protect persons.
 - Monitor the health of workers and conditions at the workplace for the purpose of preventing illness or injury.

The requirement is to eliminate "so far as is reasonably practicable" that which is, or was, at a particular time, reasonably able to be done in relation to ensuring health and safety, taking into account and weighing up all relevant matters including:

- The likelihood of the hazard or risk concerned occurring (i.e. the probability of a person being exposed to harm);
- The degree of harm that might result (i.e. the potential seriousness of harm);
- What MLL knows or ought reasonably to know about the hazard or risk and ways of eliminating or minimising risk;
- The availability and suitability of ways to eliminate or minimise the risk; and
- After assessing the extent of the risk and the available ways of eliminating or minimising the risk, the cost of doing so including whether the cost is grossly disproportionate to the risk.

In addition, MLL, to the extent it designs, manufactures, imports, supplies or installs plant or structures that could be used at a workplace, is under a similar duty to ensure that the plant or structure is designed, manufactured, imported, supplied or installed to be without risks to the health and safety of persons.

This Charter has been adopted by the Directors of MLL as a means to provide recognition and emphasis to health and safety practices and procedures which are followed by MLL and to establish a framework for directors to provide leadership on health and safety matters, and engage appropriately with health and safety issues including the identification and management of hazards and risks, the existence and application of appropriate resources to

eliminate or minimise risks, and to verify the application of those resources and the implementation of appropriate processes.

2. Board's Role in Leading Health and Safety at MLL

The directors are committed to the health, safety and welfare of MLL's people, contractors and the general public. They will show this commitment by:

- Encouraging a culture of health and safety throughout MLL.
- Acquiring, and keeping up to date, knowledge of health and safety matters.
- Gaining an understanding of the nature of the operations of the business and undertaking of MLL and generally of the hazards and risks associated with those operations.
- Ensuring that MLL has available for use, and uses, appropriate resources and processes to eliminate or minimise risks to health and safety from work carried out as part of the business or undertaking of MLL.
- Ensuring that MLL has appropriate processes for receiving and considering information regarding incidents, hazards, and risks and for responding in a timely way to that information.
- Ensuring that MLL has, and implements, processes for complying with any duty or obligation of MLL under the Act.
- Verifying the provision and use of the resources and process referred to in paragraphs (d), (e) and (f) above.
- Ensuring, so far as is reasonably practicable, that MLL engages with workers who carry out work for MLL's business or undertaking, and who are, or are likely to be, directly affected by a matter relating to work health and safety.

3. Safety Policy

MLL's Health and Safety Policy is set out in Appendix 1.

4. MLL's Health and Safety Management System

MLL's health and safety management systems are certified to:

- ISO 45001:2018 Occupational Health and Safety
- NZS 7901:2014 Electricity and Gas Industries – Safety Management Systems for Public Safety

MLL uses the Mango Quality, Health, Safety & Environmental (QHSE), <https://my.mangolive.com>, software to control and maintain its compliance requirements.

5. Health and Safety Objectives

The Board will set MLL's health and safety objectives.

The Board has set an overarching objective of **"Zero Serious Harm"**.

Each year the Board sets targets to achieve the “Zero Serious Harm” objective. The Company then sets targets in each area of its operations to achieve the annual targets, which are monitored and progress reported to the Board on a quarterly basis.

6. Board Procedures in Respect of Health and Safety

6.1 Board Reports

The Board will require a report be prepared for each board meeting detailing the targets being applied to achieve Zero Serious Harm objective,

In addition, the Board will require reports in respect of the following matters to be prepared by management at the times specified:

- A report immediately following any of the following:
 - Fatalities
 - Notifiable Incidents
 - Serious¹ Near Misses
- A regular report for each Board meeting in respect of lagging and leading indicators including the following:
 - lost time incidents
 - lost time incident days
 - incidents involving the public
 - serious incidents (staff)
 - serious incidents (public)
 - work safe notifications (notifiable events)
 - average lost time per lost time injury
 - near misses
 - audits
 - asset condition
 - hazards and risks
 - public safety KPIs
 - current safety topics being addressed by MLL

The Board, at each regular board meeting will review and discuss these matters and any other incidents reported in management reports to the Board and in doing so will review progress toward Zero Serious Harm objective. The Board will also determine whether other

¹“Serious” means an event which would or might have given rise to a notifiable injury or illness.

health and safety objectives or actions should be set, and whether other information is required to be provided to the Board.

6.2 Health and Safety Board Discussion

The frequency of the discussion on the health and safety reports required to be held as provided in section 6.1 of this Charter will be reviewed periodically by the Board to determine if the discussion should be held more or less frequently.

6.3 Certification for Monthly Health and Safety Board Discussion

Each month the Board will receive certification from the Chief Executive Officer, given on the basis of certificates provided to him from the Network Operations Manager, the Purchasing Manager and General Manager Contracting, as to the following matters:

- Confirmation (or otherwise) that no changes are proposed to MLL's business operations which will or might give rise to different risks and/or hazards at the Company's places of work.
- Confirmation that practices and procedures which have been applied to identify and determine the likelihood of the occurrence of risks and hazards at the Company's places of work remain appropriate and have been effectively applied.
- Notification of Health and Safety performance against objectives.
- Number of incidents investigated (if any).
- Confirmation (or otherwise) that the budgeted financial resources remain adequate to ensure MLL meets its Health and Safety duties.
- Confirmation (or otherwise) that MLL's general resources (people, equipment and systems) remain adequate to ensure MLL meets its Health and Safety duties.
- Confirmation (or otherwise) that the processes MLL uses to meet its Health and Safety Duties remain appropriate.
- Confirmation that the budgeted expenditure relating to Health and Safety has been incurred, or if not why not.

The first of such certificates in each year will incorporate a clear description of the operations of the business of MLL so that directors can be satisfied that they understand the risks and hazards to health and safety arising out of MLL's business.

6.4 Semi-annual Board Resolution

At least, every six months and more frequently if circumstances require it, the directors will consider and, if thought appropriate, pass resolutions as to the following matters:

- Confirming the appropriateness of the Health and Safety objectives or approving changes.
- Confirming the appropriateness of the general and financial resources being applied to health and safety matters or approving changes to priorities relating to the application of Health and Safety budgeted items.

- Confirming that appropriateness of the processes being applied to eliminate or minimise risks to health and safety from MLL’s workplaces and other workplaces at which MLL’s workers may be present.
- Confirming budgeted health and safety expenditure has actually been incurred.
- Identifying actions required to be implemented and by whom in respect of changes to MLL’s business operations.

6.5 Health and Safety Budgeting

In the course of the preparation of MLL’s annual budgeting process, the Chief Executive Officer will require the Senior Managers to give specific consideration and input to the financial resources which are required to be available to enable MLL to comply with its health and safety duties.

Budget items which do or might involve health and safety expenditure will be analysed to determine the extent to which such expenditure relates to health and safety.

7. Workplace Health and Safety Incident Response

If a notifiable event (as defined in the Act) occurs, in addition to the notification requirements in the Act being complied with, the incident protocols set out in Appendix 2 will be implemented and the site will be immediately locked down and secured.

The health and safety report to each board meeting from the Chief Executive Officer will identify if any notifiable event has occurred and if so confirm the requirements of this clause 7 have been complied with.

The Chief Executive Officer will institute an ICAM (Incident Cause Analysis Method) investigation in respect of all notifiable Health and Safety events.

Following each investigation into a health and safety incident, the Chief Executive Officer will consider what, if any, changes are necessary to MLL’s Health and Safety Management System, and will provide recommendations for consideration by the Board at its next Board meeting. If the Chief Executive Officer determines that changes to the MLL Health and Safety Management System are required to be implemented immediately, he will advise the Board at its next meeting what changes have been implemented as a result of the investigation.

8. Contractor and Visitor Health and Safety Requirements

8.1 Introduction

Acknowledging that the Act applies to workers employed by MLL as well as contractors engaged by it, the following practices and procedures will be applied to contractors and visitors to MLL’s places of work.

8.2 Contractors

The Chief Executive Officer will put in place processes so as to ensure to the extent reasonably possible that all contractors working on MLL workplaces will be required to be

and will be accredited to undertake such work in accordance with the standards and requirements set out in Appendix 3.

The Chief Executive Officer will take all practicable steps to ensure that all contractors working on MLL's workplaces comply with the Health and Safety requirements at all times whilst working on a MLL workplace including but without limitation participation in and signing off on the tailgate / hazard identification process in accord with Appendix 4

8.3 Visitors

The Chief Executive Officer will put in place processes so as to ensure to the extent reasonably practicable all visitors will be required to comply with MLL's on-site health and safety requirements as set out in Appendix 5.

9. Harassment, Bullying and Discrimination

MLL is committed to maintaining a positive working environment and culture, where everyone is treated with dignity and respect.

Discrimination, bullying or harassment of any kind can be detrimental to a person's physical and mental health and will not be tolerated by MLL.

MLL has a policy in place to prevent and, if necessary, manage, workplace harassment, bullying and discrimination (refer to Appendix 6).

10. Public Safety Inspections

The Managing Director will put in place processes so as to ensure to the extent reasonably practicable that MLL's public safety inspection protocols are complied with.

At each regular Board meeting, the Board will receive a Health and Safety report from management which includes public safety KPIs and highlights any areas of concern.

11. Worker Engagement, Training and Induction

MLL operates a Health and Safety Committee established by the Chief Executive Officer. The purpose of the Health and Safety Committee is to support positive health and safety practices within MLL.

The Health and Safety Committee will comprise all elected Health and Safety Representatives and a number of other workers from MLL as appointed by MLL in accordance with the Act. The Committee provides one of the mechanisms for MLL workers to participate in the management of health and safety in the workplace.

12. Training and Induction Protocols

The Chief Executive Officer will put in place processes so as to ensure to the extent reasonably possible that there are appropriate employee training and induction protocols in place.

At each board meeting, the Board will receive certification from the Chief Executive Officer to the effect that the training and induction protocols remain appropriate and have been complied with.

13. Hiring Practices

The Chief Executive Officer will put in place processes so as to ensure to the extent reasonably possible that the employee hiring practices deal appropriately with Health and Safety and for such purpose will consider including such matters, without limitation, as pre-employment Drug and Alcohol testing, psychometric testing and criminal record checks.

14. Audit and Third-Party Review

The Board and Officers of MLL consider that the existing MLL Health and Safety Management System certified to ISO 45001 Occupational Health and Safety and NZS 7901:2014 Public Safety is adequate to enable MLL to meet its health and safety duties.

MLL will continue to maintain certification in these systems, which are audited annually by a qualified independent Auditor.

MLL management will also review the adequacy of the Health and Safety Management Systems as part of its bi-monthly Integrated Management System reviews in accord with Appendix 7.

15. Periodic Review of Health and Safety Management System

In addition to any review completed by MLL, the Health and Safety Management System will be subject to a review of this nature every three years. Reviews will also be undertaken if there has been a material change to MLL's business operations and such change has resulted in different hazards and risks being required to be addressed by MLL and appropriately qualified independent third parties will be engaged as necessary.

15.1 Verification of Expenditure of Health and Safety Budget Items

The Chief Executive Officer will ensure that as part of the audit undertaken in respect of MLL's annual financial statements, the auditor will verify that expenditure has been incurred in relation to items attributed to health and safety, including without limitation PPE, Training and Equipment.

15.2 Information and Reporting Processes

The Board and officers of MLL consider that the process for the receipt and consideration of information regarding health and safety incidents, hazards and risks and responding to that information is appropriate to enable MLL to meet its health and safety duties. However, in order for this to be verified, such processes will be reviewed every three years, or earlier if circumstances have arisen which dictate such a review took should take place at an earlier time.

16. MLL Reviews

16.1 Review of Charter

The Board will review this Charter annually and determine what (if any) changes are appropriate.

16.2 Review of Health and Safety Policy

The Board will review the Health and Safety Policy annually, or earlier if circumstances have arisen which dictate such a review should take place at an earlier time, and determine what (if any) changes are appropriate.

Board Health and Safety Charter Appendices

Internal documents only

Appendix No.	Policy	Refer to
Appendix 1	Health and Safety Policy	<ul style="list-style-type: none">• Health & Safety and Public Safety Policy Statement PO3
Appendix 2	Health and Safety Incident Protocols	<ul style="list-style-type: none">• Accident / Incident Report Procedure PR1
Appendix 3	Contractors' Accreditation Requirements	<ul style="list-style-type: none">• Evaluation of Preferred Contractors Procedure PR30• Preferred Supplier Evaluation Procedure PR71
Appendix 4	Contractors' Health and Safety Requirements	<ul style="list-style-type: none">• Principal / Contractor Relationships Procedure PR73
Appendix 5	Visitors' Health and Safety Requirements	<ul style="list-style-type: none">• Induction of Visitors to Marlborough Lines Procedure PR47
Appendix 6	Harassment, Bullying and Discrimination Policy	<ul style="list-style-type: none">• Harassment, Bullying and Discrimination Policy PO15
Appendix 7		<ul style="list-style-type: none">• IMS Management Reviews Procedure PR45

APPENDIX 4 – AUDIT AND RISK COMMITTEE CHARTER

1. Establishment of the Audit and Risk Committee

This Charter sets out the basis on which the Board has established the Audit and Risk Committee (the Committee) pursuant to the authority contained in, and subject to the provisions of, the Constitution.

2. Objectives

The objective and purpose of the Audit and Risk Committee is to assist the Board in fulfilling its oversight responsibilities for the system of internal control, the financial and regulatory reporting process, the audit process, risk management and the Company's process for monitoring compliance with laws and regulations.

3. Authority, Duties and Responsibilities

The Audit and Risk Committee has the authority, duty and responsibility to:

- make a recommendation to the Board regarding the appointment of the Company's auditor and the agreement of audit fees;
- meet with the Company's financial statement auditor to discuss the annual audit plan, all critical accounting policies and practices; and management letters;
- meet with management and the Company's auditor to review and discuss the Company's annual financial statements and regulatory disclosures, including any significant changes in the selection or application of accounting policies;
- periodically review the adequacy and effectiveness of the Company's internal controls over financial reporting;
- oversee the Company's compliance with legal and regulatory requirements and compliance with the Governance Manual;
- assess the Company's risk management practices; and
- review this Charter at least annually.

In carrying out its duties and responsibilities, the Audit and Risk Committee also has the authority to meet with and seek any information it requires from employees, officers, directors, or external parties.

4. Conflict

No member of the Committee will participate in the review of their own performance.

5. Committee Composition

The Audit and Risk Committee shall consist of at least three members, all of whom are directors of the Company, appointed annually by the Board, and one of whom must be a qualified accountant.

The members of the Audit and Risk Committee shall elect one of their members who is a director to be the Chair. In that person's absence, any member who is a director may chair a meeting of the Audit and Risk Committee. The Chair of the Audit and Risk Committee must not be the Chair of the Board.

The Audit and Risk Committee may invite such other persons to attend their meetings as they consider appropriate. The Committee may, if it considers it appropriate, appoint a secretary.

6. Meetings and Procedure

The Audit and Risk Committee will meet as frequently as required but not less than quarterly.

A quorum for a meeting of the Audit and Risk Committee is three members.

The Audit and Risk Committee shall ensure that minutes of its meetings are kept and make available the minutes of each of its meetings to the Board at the Board's next full meeting.

The dates, times and venues of each meeting of the Audit and Risk Committee will be notified to all members as far in advance as possible. Supporting papers shall also be sent to members as far in advance as possible and, in any event, in sufficient time to allow attendees to become familiar with the issues to be addressed.

The proceedings of the Audit and Risk Committee will be governed by the provisions of the Constitution that govern meetings of directors, in so far as they are applicable.

7. Reporting

The Chair of the Audit and Risk Committee (or a person nominated by the Committee for that purpose) must provide a verbal report to the Board on the Committee's proceedings following each meeting on all matters relevant to the Committee's duties and responsibilities. All papers and formal minutes of each committee meeting will be prepared and made available to directors.

8. Review

The Audit and Risk Committee must conduct an annual review of its performance and effectiveness, inviting comments from all members of the Board.

APPENDIX 5 – ACCOUNTING AND REPORTING (AUDIT) PROTOCOL

1. Establishment of Protocols for Dealing with Audit Matters

This Protocol sets out the basis on which the Board will act in relation to their consideration of the financial accounting and reporting of the Company.

2. Objectives

This Protocol has been established to ensure oversight by the Board of all matters related to the financial accounting and reporting of the Company. The Board as a whole monitors the processes which are undertaken by management (for internal audit) and external auditors to ensure that the Board meets all financial corporate governance requirements. The Board has appointed an Audit and Risk Committee to assist it with fulfilling its oversight responsibilities. The authority, duties and responsibilities of the Audit and Risk Committee are set out in the Audit and Risk Committee Charter in Appendix 4.

3. Authority, Duties and Responsibilities

The full Board when dealing with the financial accounting and reporting of the Company will act as set out below.

3.1 External audit

The Energy Companies Act requires that the Controller and Auditor General be the Company's auditor. However, as a matter of practice, the Controller and Auditor General appoints private audit practitioners to complete this work. Therefore, the Board will:

- i. establish guidelines for recommendation to the Controller and Auditor General in relation to the appointment of a private audit practitioner as the external auditor ("external auditor") if required and operate in accord with the Auditor General's requirements for rotation of the audit partner / firm;
- ii. review and consider:
 - the external auditor's annual plan;
 - the fees proposed by the external auditor;
 - the qualification, expertise and resources of the external auditor annually;
 - whether an effective, comprehensive and complete audit can be conducted for the fee;
- iii. monitor and review the effectiveness, objectivity, and independence of the external auditors;
- iv. ensure that, to the extent appropriate, the Environment, Social and Governance criteria (ESG) are the subject of appropriate consideration and disclosure; and

- v. develop and recommend to the Board the Company's policy in relation to the provision of non-audit services by the external auditor to ensure that the provision of such services does not impair the external auditor's independence or objectivity.

3.2 Financial statements

The Board must:

- i. review with management and the external auditor at the completion of the annual audit:
 - the Company's financial statements and related notes;
 - the external auditor's audit of the financial statements;
 - any significant changes required in the external auditor's audit plan;
 - any serious difficulties and/or disputes that management encountered during the course of the audit;
 - any other matters related to the conduct of the audit;
- ii. review the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, interim reports, preliminary announcements and related formal statements;
- iii. review the clarity and completeness of disclosures in the financial statements and whether they comply with the appropriate laws and regulations; and
- iv. require the Chief Executive Officer and Chief Financial Officer to state in writing to the Board that the Company's financial reports present fairly, in all material respects, the Company's financial condition and operational results and are in accordance with relevant accounting standards.

3.3 Internal controls, compliance and risk management

The Board must:

- i. consider and review:
 - the adequacy of the Company's internal auditing practices;
 - any related significant findings and recommendations of the external auditor and management's responses thereto; and
- ii. monitor and review the effectiveness of the Company's framework for monitoring operation risk (including insurance strategy) and compliance with applicable laws and regulations.

4. Reporting

The Board will disclose in the Annual Report any non-audit work undertaken by the Company's auditor.

APPENDIX 6 – PERFORMANCE EVALUATION POLICY

The Company has a range of policies in place relating to the performance evaluation of the Board, the Board's committees (if any), individual Directors and executives.

1. The Board and Individual Directors

The process of evaluating the performance of the Board as a whole is the responsibility of the Board under the direction of the Chair. The Board Charter requires the Board to undertake an annual performance evaluation of itself that:

- compares the performance of the Board with the requirements of its Charter;
- reviews the performance of the Board's committees (if any);
- sets forth the goals and objectives of the Company for the upcoming year; and
- effects any improvements to the Board Charter deemed necessary or appropriate.

The performance evaluation shall be conducted in such a manner as the Board deems appropriate.

Assessment of individual directors' performance is a process determined by the Chair, and takes into account a number of factors, including attendance, contribution and experience of the individual director concerned.

Assessment of the Chief Executive Officer's performance will be undertaken by the Board having regard to the performance objectives set at the beginning of the review period, the results for the period, any contractual requirements and any external information required by the Board to fairly assess the position, performance and appropriate level of remuneration.

2. Board Committees

The standard charter for Board committees requires the committee to review its performance and effectiveness, inviting comments from all members of the Board.

3. Executives

All of the Company's executives are subject to a formal annual performance review to be completed by the Chief Executive Officer.

APPENDIX 7 – SHAREHOLDER AND STAKEHOLDER COMMUNICATION POLICY

The aim of the Company's communication practices is to provide its shareholders with meaningful information about the Company and enable the shareholders to engage actively with the Company and exercise their rights as shareholders in an informed manner.

1. Provision of Written Information

The Company's Annual Report is the major written communication provided to its shareholders each year and is available to all beneficiaries of the Trust on request. In addition to meeting all formal requirements, the Annual Report must be:

1.1 Informative

The Annual Report must contain information that assists its shareholders to understand the Company's financial results, trends, developments of importance, relationship with employees and suppliers and any other relevant matters that may impact on the community and environment.

Particular matters to be included in the Annual Report are:

- a comprehensive description of the Company's business;
- commentary on its goals, strategies and performance;
- key corporate governance documents; and
- separate information showing how the Company has followed the appropriate governance principles as adopted in the Company's Governance Manual.

1.2 Available

The Annual Report will be made easily available to all stakeholders.

In preparing notices of meeting and related explanatory information, the Company aims to provide all information that is relevant to its shareholders in making a decision as to how they will vote on the matters being considered. This information should be provided in a clear and concise format.

The Company also provides its shareholders with a Quarterly Report, which demonstrates progress towards the Company objectives as set out in the Company's Statement of Corporate Intent. The Quarterly Report should be provided to its shareholders in a timely manner following the end of the quarter.

2. Electronic Communication

The Company is conscious of the efficiency of communicating electronically rather than on paper. However, the Company is equally aware that some stakeholders prefer to receive paper-based documents.

The Company's website is an important part of the Company's Shareholder and Stakeholder Communications Policy. The Company will include on its website a range of information relevant to its shareholders and other stakeholders concerning the operation of the Company. Particularly, the Company's website will:

- enable its shareholders and beneficiaries of the Trust to register their interest to receive direct advice from the Company when any releases are made;
- be a repository for relevant documents including Annual Reports, the Corporate Governance Manual, information releases, Company policies and similar documentation; and
- provide a history of dividend payments.

The Directors will consider the inclusion of further information on the Company's website from time to time.

3. Access to Directors, and Auditors at General Meetings

At each general meeting of the Company, the shareholders will, through the Chair of the general meeting, be given the opportunity to ask general questions of Directors.

The Company's external auditors will be invited to attend each Annual Shareholders' Meeting of the Company and will be available to answer any questions the shareholders may have that are relevant to the conduct of the audit.

4. Assessment of Compliance

The Board will regularly assess compliance with this Policy and whether this Policy is consistent with accepted social, environmental and ethical norms.

APPENDIX 8 – RISK MANAGEMENT POLICY

The Company has a number of risk management policies, as well as related internal compliance systems that are designed to:

- optimise the return to, and protect the interests of, stakeholders;
- safeguard the Company's assets and maintain its reputation;
- improve the Company's operating performance; and
- fulfil the Company's strategic objectives.

The Company is also aware of the need for it to consider and manage non-financial risks which may be relevant to the conduct of its business.

The Company has policies covering risk management in the following areas:

- Operational risk;
- Workplace health and safety/ hazard management;
- Treasury risk;
- Insurance risk;
- Legislative compliance
- Trade practices; and
- Employment law.

Senior executive staff and business unit managers are required to provide a quarterly report to the Chief Executive Officer in relation to legal compliance and risk management in their areas of responsibility.

The Board is Ultimately Responsible

The Board ultimately has responsibility for compliance and control.

The Board will report on risk identification, risk management and relevant internal controls to its shareholders annually.

APPENDIX 9 – REMUNERATION POLICY

1. Executive Remuneration

The Company recognises the vital role personnel play in the pursuit of its strategic objectives and acknowledges the importance of establishing remuneration packages for key executives to ensure that a link exists between corporate performance and remuneration paid to key executives.

The Chief Executive Officer is required as part of the overall performance review of the key executives to ensure that this link exists and to provide additional remuneration benefits to executives who meet the criteria established by him with the benefit of guidance from the Board.

The Chief Executive Officer is also required to report to the Board in general terms the outcome of the performance review of executives and the total remuneration benefits paid to executives.

2. Director Remuneration

The remuneration of the non-executive Directors should be at levels that are fair and reasonable in a competitive market for the skills, knowledge and experience required.

The Board should obtain independent advice on the appropriate level of Director's fees and provide that advice along with a recommendation for Director's fees to the shareholder for approval.

3. Chief Executive Officer Remuneration

The remuneration of the Chief Executive Officer will be reviewed by the Board at the same time as the remuneration of employees of the Company is reviewed.

APPENDIX 10 – STANDARD FORM COMMITTEE CHARTER

Establishment of the [] Committee

This Charter sets out the basis on which the Board has established the [] Committee pursuant to the authority contained in, and subject to the provisions of, the Constitution.

Objectives

The objective and purpose of the [] Committee is to [].

Authority, Duties and Responsibilities

The [] Committee has the authority, duty and responsibility to [].

Conflict

No member of the Committee will participate in the review of their own performance.

Committee Composition

The [] Committee shall consist of at least [] members, [all of whom] [a majority of whom] are Directors of the Company.

The members of the [] Committee shall elect one of their members who is a Director to be the Chair. In that person's absence, any member who is a Director may chair a meeting of the [] Committee.

The [] Committee may invite such other persons to attend their meetings as they consider appropriate. The [] Committee may, if it considers it appropriate, appoint a secretary.

Meetings and procedure

The [] Committee will meet as frequently as required.

A quorum for a meeting of the [] Committee is three members.

The [] Committee shall ensure that formal minutes of its meetings are kept and make available the papers and minutes of each of its meetings to the Directors.

The dates, times and venues of each meeting of the [] Committee will be notified to all members as far in advance as possible. Supporting papers shall also be sent to members as far in advance as possible and in any event in sufficient time to allow attendees to become familiar with the issues to be addressed.

The proceedings of the [] Committee will be governed by the provisions of the Constitution that govern meetings of Directors, in so far as they are applicable.

Reporting

The Chair of the [] Committee (or a person nominated by the [] Committee for that purpose) must provide a verbal report to the Board on the [] Committee's proceedings following each meeting on all matters relevant to the Committee's duties and responsibilities.

Review

The [] Committee must conduct a review of its performance and effectiveness, inviting comments from all members of the Board.