



plexure

Plexure Group Limited Board Charter

FEBRUARY 2020

Purpose

Governance at Plexure

The Board has statutory responsibility for the affairs and activities of the Company, which in practice is achieved through delegation to the Chief Executive Officer of the day-to-day leadership and management of the Company.

The Role of the Board

The Board has the responsibility to work to protect and enhance the value of the assets of the Company in the interests of the Company and its shareholders.

1. Composition

Board Composition

The Constitution requires that the Board comprise at least three members. The Board has also agreed that the Chairperson shall be independent. The Board is required to have at least two members who are ordinarily resident in New Zealand and at least two directors who are independent directors.

(NZX Governance Code Recommendation 2.8 recommends that the majority of the Board should be Independent Directors. This is a 'comply or explain' matter, whereby if Plexure does not comply with the recommendation it must explain to NZX why it is not in compliance.)

Quorum

The Constitution requires that the quorum is a majority of directors.

Rotation

All Directors appointed by way of casual vacancy are required by the NZX Listing Rules to be elected by the shareholders at the first annual meeting after their appointment. A Director must not hold office (without re-election) past the third annual meeting following the Director's appointment or three years, whichever is longer.

Independence

In considering whether a Director is independent the Board will consider a range of factors and the criteria of the NZX Listing rules. Nevertheless a Director will not be considered independent in any of the following circumstances:

- They are a substantial product holder of the Company (as defined in the Financial Markets Conduct Act 2013) or a senior officer of, or otherwise associated directly with, a substantial product holder of the Company.
- Within the last three years they have been employed in an executive capacity by the Company or another group member, and there has been less than three years between ceasing such employment and serving on the Board.
- Within the last three years they have been a principal of a material professional advisor or a material consultant to the Company or another group member or an employee materially associated with the service provided.

- He or she is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- He or she has a material contractual relationship with the Company or another group member other than as a director of the company.
- They are not free from any interest or any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Induction

The Board seeks to ensure that new Directors are appropriately introduced to management and the business, that all Directors are acquainted with relevant industry knowledge and that Directors are provided with access to this Charter, the Charters of all Committees, recent Board and Committee papers, recent Board minutes and relevant Company policies.

Continuous Education

It is expected that all Directors continuously educate themselves to ensure that they may appropriately and effectively perform their duties. In addition, visits to Company operations when appropriate and briefings from key executives and external persons will be arranged.

2. Composition and Role of Committees

Committees established by the Board review and analyse policies and strategies, usually developed by management, which are within their terms of reference. They examine proposals and where appropriate make recommendations to the full Board. Committees do not take action or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so.

The current Committees of the Board are the Audit and Risk Management Committee and the Remuneration and Nominations Committee. All Committees consist entirely of Non-Executive Directors. All Directors are entitled to attend Committee meetings and will be notified of all meetings. An individual charter exists for each Committee which will be annually reviewed by the Board. From time-to-time the Board may create ad hoc or other committees to examine or have the delegated authority to deal with specific issues on behalf of the Board.

Committee Chairpersons and members are appointed by the Board.

3. Procedure

Board Materials and Presentations

The Chairperson of the Board meets with the Chief Executive Officer prior to each Board meeting to discuss the agenda for the forthcoming Board Meeting. Each Committee or Director is able to suggest agenda items.

To enable appropriate review of Board materials, it is recommended that Directors receive materials approximately five days in advance of meetings for items to be acted upon, except in the case of special meetings for which the time period may be shorter due to the urgency of the matter to be considered. Guidelines are in place concerning the content, presentation and delivery of papers to Directors for each meeting.

The Board normally meets at least ten times a year.

The Board encourages the Chief Executive Officer to bring employees to Board meetings who can provide additional insight into the items being discussed because of personal involvement in those matters, including employees whose future potential the Chief Executive Officer believes should be given exposure to the Board. All Directors have access to employees to discuss issues or obtain further information on specific areas, as they think appropriate.

The Board of Directors meets regularly without management present.

Relationship between the Chairperson and the Chief Executive Officer

The Board supports the concept of the separation of the role of Chairperson from that of the Chief Executive Officer. The Chairperson's role is to manage the Board effectively, to provide leadership to the Board, and to interface with the Company's Chief Executive Officer.

Remuneration of Directors

The Directors' remuneration is paid in the form of Directors' fees. The Board may determine that additional allowances be paid to a Director, as appropriate, to reflect additional services provided to the Company by that Director. The total fees available to be paid to Directors is subject to shareholder approval.

In summary, the Company meets the cost of:

- all Directors' travel directly associated with attendance at Board and Committee meetings, Board trips and Board business;
- any costs associated with a Director's attendance at functions where the Director is representing the Company;
- any travel costs directly associated with a Director's spouse's/partner's attendance at functions where their attendance is considered appropriate; and
- any costs directly associated with the Director's performance of his or her role.

All Directors' expenses are approved by the Chairperson. The Chairperson's expenses are approved by the Chairperson of the Audit and Risk Management Committee.

Director Access, Indemnity, Insurance and Disclosure Deed

All Directors have the benefit of an indemnity as provided for in the Plexure Constitution and as permitted by the Companies Act 1993. This provides for certain rights to access company documents, an indemnity in respect of Directors' liability and contains certain disclosure obligations.

Plexure also has Director and Officer insurance. The costs of this insurance are met by the Company.

Disclosures of interest and Conflicts of Interest

Directors are required to make disclosures of all interests in companies and other entities outside of Plexure at the time they are appointed and to ensure that the Board is informed of any changes in these disclosures. All disclosures of interest, including the nature and extent of any interest are recorded in the interests register of the Company by the Company Secretary.

Directors minimise the possibility of conflict of interest in their involvement with Plexure by restricting their involvement in businesses that could lead to a conflict of interest. Where conflicts of interest do exist then Directors excuse themselves from discussions in respect of those interests and in accordance with the listing rules of the stock exchanges on which the Company is listed, and do not exercise their right to vote in respect of such matters.

Trading in Plexure Shares

Directors are encouraged to hold shares in the Company.

Any sale or purchase transactions of shares by Directors are subject to limitations on their ability to buy and sell Plexure shares by Plexure's Financial Product Trading Policy and Guidelines and the Financial Markets Conduct Act 2013.

These limitations include the requirement that Directors can only buy and sell Plexure shares during certain periods and that any trading is subject to prior approval of the Chairperson (or in the Chairperson's case by the Chairperson of the Audit and Risk Management Committee). All changes in the shareholdings of Directors are reported to the Board and the stock exchanges on which the Company is listed.

4. Responsibilities and Duties

Policy and Corporate Strategy

The management and control of the business of Plexure is vested in the Board. The Board has reserved for its own decision certain matters including:

- the establishment of the Company's overall strategic direction and strategic plans;
- the approval of the annual plan and budgets and, financial objectives and policies and significant capital expenditure;
- the approval of the financial statements and published reports;
- the approval of the establishment and annual review of the effectiveness of the Company's systems of internal control and risk management; and
- the appointment of the Chief Executive Officer.

The Board provides leadership and exercises due diligence in ensuring that Plexure meets its health and safety obligations: strategic direction, securing and allocating resources, and ensuring the company has appropriate people, procedures and equipment.

The Board is also responsible for the review and approval of any policies that the Board determines should be approved by the Board.

In all other respects the day-to-day management of the Company will be in the hands of the Chief Executive Officer.

Evaluation of the Chief Executive Officer and Management Succession Planning

The Remuneration Committee evaluates the performance of the Chief Executive Officer and oversees the Chief Executive Officer's evaluation of his direct reports. It also recommends the annual remuneration of the Chief Executive Officer to the Board for approval and approves the remuneration of the Chief Executive Officer's direct reports. The evaluation is based on criteria which include the performance of the business, the accomplishment of long-term strategic objectives and other non-quantitative objectives agreed at the beginning of each year.

The Chief Executive Officer reports annually to the Board regarding management and Chief Executive Officer succession planning and management development. In the event of an emergency or the retirement of the Chief Executive Officer the Remuneration Committee will recommend suitable candidates to the Board for appointment to the position of Chief Executive Officer.

Company Secretary

The appointment of the Company Secretary is made on the recommendation of the Chief Executive Office and must be approved by the Board.

5. Powers/Authority

Delegation of Authority to the Chief Executive Officer

The formulation and implementation of policies and reporting procedures for management, other than as referred to above, has been delegated to the Chief Executive Officer as formal delegation terms. The Board's delegation of the conduct of the day to day affairs of the Company to the Chief Executive Officer is made within these terms. The Chief Executive Officer in turn is responsible for implementing a Delegation of Authority Policy which sets limits on certain decision making and achieves individual accountability.

Independent Advice

A Committee or individual Director may retain and consult with external advisers (including legal) at the Company's expense where the Committee or individual deems it necessary to carry out its, his or her functions, with the approval of the Chairperson of the Board. Non-executive Directors are not employees of Plexure.

Non-executive Directors are entitled to rely on Plexure executives, in relation to matters within their responsibility and area of expertise and may assume the accuracy of information provided by such persons, so long as the Director is not aware of any reasonable grounds upon which such reliance or assumption may be inappropriate.

The Board may rely upon information provided by Board Committees and their members in relation to matters within that Board Committee's delegated responsibility, provided that it has evaluated the information and is not aware of any reasonable basis upon which to question its accuracy.

All Directors have access to the advice and services of the Company Secretary.

6. Accountability

Evaluation of Board performance

The Board reviews its performance as a whole on an annual basis. Performance reviews of individual Directors will be undertaken as required and determined by the Board. The Remuneration Committee reviews the remuneration of Directors based on criteria developed by that Committee.

General

This Board Charter has been approved and is reviewed by the Board every two years, or earlier if review is requested by a Director or the Company Secretary.