

## **BOARD CHARTER**

### **1. Introduction**

- 1.1 In carrying out its responsibility and powers as set out in this Charter, the Board will at all times recognise its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interest of Marsden Maritime Holdings Ltd's shareholders, and its employees, customers and the wider stakeholder community.
- 1.2 In carrying out its activities, the Board is committed to practising high standards of corporate governance.

### **2. Role of Board**

- 2.1 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, with the ultimate aim being to sustainably increase shareholder value. The Board is accountable to shareholders for the performance of the Company.

### **3. Responsibilities of the Board**

- 3.1 In carrying out its principal function, the Board's specific responsibilities include:
- 3.1.1 providing, in consultation with the Chief Executive, strategic direction for, and approving of, the Company's business plans and objectives;
  - 3.1.2 reviewing and approving the Company's budgets and business plans and monitoring the management of the Company's capital;
  - 3.1.3 determining dividend policy and the amount, nature and timing of dividends to be paid;
  - 3.1.4 providing leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed;

- 3.1.5 identifying the principal risks, faced by the Company and taking appropriate steps to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent practicable, reduce the impact of these risks;
- 3.1.6 monitoring the operational and financial position and performance of the Company;
- 3.1.7 establishing financial and reporting mechanisms, ensuring adequate, accurate and timely information is provided to the Board and that the Company's shareholders and financial market as a whole is kept fully informed of all material developments relating to the Company as required by the NZX Listing Rules;
- 3.1.8 appointing, and where appropriate, removing the Chief Executive, approving other key executive appointments that the Board may designate from time to time and monitoring the performance of the Chief Executive, having regard to the Company's strategic direction and goals;
- 3.1.9 establishing and approving the Company's policies;
- 3.1.10 ensuring the Directors' Board and Committee fees are reviewed regularly and recommendations are made to shareholders;
- 3.1.11 establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;
- 3.1.12 adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards;
- 3.1.13 approving and regularly reviewing the Company's internal decision-making and compliance policies and procedures, including any codes of conduct, this Board Charter and the charters of the Board's Committees;
- 3.1.14 ensuring that the Company's internal decision making and compliance policies and procedures are adhered to, to ensure that the business of the Company is conducted in an open and ethical manner;
- 3.1.15 appointing the Chair of the Board;
- 3.1.16 approving the external auditor's remuneration; and
- 3.1.17 reviewing the effectiveness of all the Company's Policies.

#### **4. Delegation of Responsibilities to Management**

- 4.1 The Board delegates management of the day to day affairs and management responsibilities of the Company to the Chief Executive and other executives of the Group to deliver the strategic direction and goals agreed by the Board. This delegation includes:
- 4.1.1 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;
  - 4.1.2 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;
  - 4.1.3 identifying and managing business risks, and if those risks could materially affect the Company or its business, formulating strategies to manage those risks;
  - 4.1.4 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;
  - 4.1.5 implementing the Company's internal controls, policies and procedures and monitoring these controls, policies and procedures and ensuring that they are appropriate and effective.

#### **5. Delegation of Responsibilities to Committees**

- 5.1 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. The Board currently has the following committees:

- Audit and Risk Committee
- Remuneration Committee
- Health and Safety Committee
- Director Nomination Committee

and from time to time there may be ad-hoc committees established for specific purposes.

- 5.2 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.

## 6. Membership

- 6.1 The Constitution provides that the number of Directors must at any time be no more than seven and no less than six. Subject to these limitations, the number of Directors to hold office will be fixed from time to time by the Board.
- 6.2 Directors will receive induction training upon appointment, and maintain appropriate levels of financial, legal and industry understanding, throughout their appointment.
- 6.3 It is preferable that all Directors be independent. Regardless, a two thirds majority of the Board should be independent. A Director is only to be regarded as independent if they do not have any direct or indirect interest or relationship that could reasonably influence, in a material way, the Director's decisions in relation to the Company. Without limiting this definition, a Director will be deemed not to be independent if they:
- are a substantial security holder of the Company, or an associated person of a substantial security holder (other than solely as a consequence of being a Director); or
  - have a relationship (other than in their capacity as a Director of Marsden Maritime Holdings Ltd) with the Company or a substantial security holder of the Company (or one of their associated persons has such a relationship) and, by virtue of that relationship, that Director (or associated person) is likely to derive, in the current financial year of the company, a substantial portion of their annual revenue during such financial year.
- 6.4 Equally, a Director will be independent if they are not a member of management and they:
- 6.4.1 have not been employed in an executive capacity by the Company or any related company, or been a Director after ceasing to hold such employment, within the last three years;
  - 6.4.2 have not been a principal of a material professional adviser or a material consultant to the Company or a related company, or an employee materially associated with the service provided, within the last three years;
  - 6.4.3 are not a material supplier or customer of the Company or related company, or an officer (or otherwise materially associated with) a material supplier or customer;
  - 6.4.4 have no material contractual relationship with the Company or a related company other than as a Director;

- 6.4.5 have not served on the Board for a period which could, or could be reasonably perceived to, materially interfere with their ability to act in the best interests of the Company;
  - 6.4.6 are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of the Company.
- 6.5 The Board shall identify which Directors it has determined, in its view, to be independent no later than 10 business days following the Company's Annual Shareholders' Meeting (and no later than 10 business days following the Directors' appointment in respect of Directors appointed by the Board) and immediately after making such determination, shall release such information to the market. The Board must also include a statement to which Directors are independent in its Annual Report.
- 6.6 The Board shall regularly review the independence of each Director in light of interests disclosed.

## **7. Terms of Appointment**

- 7.1 The appointment of a Director is a shareholder decision and would typically be for a term (or subsequent term) of three years.
- 7.2 A Director wishing to stand for re-election will inform the Board in advance and the Board will advise the Director of their support or otherwise.
- 7.3 The Board's decision to support or not to support a further term by any Director will not prevent a Director from standing, but should he/she stand, the decision on support will be advised to the shareholders meeting where the Director's candidacy is being determined.
- 7.4 The Board has determined that good governance requires regular renewal of the Board and that the expected term of a Director is nine years, or three terms from the date on which the Director is first appointed pursuant to a properly convened meeting of shareholders.
- 7.5 If a Director wishes to stand for a term beyond nine years, then the Board will determine in advance their support or otherwise for this or any subsequent term and will advise the Director accordingly.
- 7.6 The Board's decision to support or not support a further term will not prevent a Director from standing, but should he/she stand, the decision on support will be advised to the shareholders meeting where the Directors candidacy is being determined.
- 7.7 Directors are encouraged to hold shares in Marsden Maritime Holdings Ltd.

## **8. Chairman**

- 8.1 The Chairman must be independent and is selected by the full Board at the first Board meeting following the Annual Shareholders Meeting.
- 8.2 The Role of Chairman
  - 8.2.1 The Chairman carries out a leadership role in the conduct of the Board and its relations with shareholders and other stakeholders.
  - 8.2.2 He/she maintains a close professional relationship with the Chief Executive and the Senior Management Team. The Chairman chairs Board Meetings, as well as Annual Meetings of shareholders, and concerns himself with the good order and effectiveness of the Board and its processes.
  - 8.2.3 The Chairman must ensure that all Directors are encouraged to participate in the affairs of the Board and have an adequate opportunity to express their views.
  - 8.2.4 The Board may also appoint a Deputy Chairman to assist the Chairman. The Deputy Chairman must also be independent.
  - 8.2.5 The Chairman provides guidance in the performance of Directors.

## **9. Meetings**

- 9.1 The Board shall meet as often as it deems appropriate, but not less than eight times per year.
- 9.2 Board papers will 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.

## **10. Access to Independent Advice**

- 10.1 A Director of the Company is entitled to seek independent professional advice at the Company's expense with prior approval of the Chairman and within specified limits.
- 10.2 The Chairman may determine that any advice received by an individual Director will be circulated to the full Board.

## **11. Conflicts of Interest**

- 11.1 The Directors of the Company are required to act in a manner which is consistent with the best interests of the Company as a whole, free from any actual or possible conflicts.
- 11.2 If a Director believes that they may have a conflict of interest or duty in relation to a potential matter, the Director should immediately consult with the Chairman (or in the case of the Chairman, the Chairman should immediately consult with the other Directors).
- 11.3 Directors with a conflict of interest must abstain from voting on any motion relating to the conflict, and if advised by the Chairman, absent themselves.
- 11.4 If the Company Secretary is aware of a conflict of interest, the Chairman should be advised and if agreed, the Director should not receive any papers relating to the conflict.

## **12. Indemnities and Insurance**

- 12.1 The Company will provide Directors with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as Directors, and ex Directors, to the fullest extent permitted by the Companies Act 1993.
- 12.2 It is an expectation that this indemnity has a run off period of no less than seven years.
- 12.3 The Company will maintain specified corporate documents and provide Directors with access to those documents.

## **13. Review**

- 13.1 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; and
  - effects any improvements to this Charter deemed necessary or appropriate.
- 13.2 The performance evaluation shall be conducted in such a manner as the Board deems appropriate.

- 14.** The Board Charter is to be reviewed within a three year period.