



# EASTPACK LIMITED

## BOARD CHARTER

### 1.0 INTRODUCTION

In carrying out its responsibility and powers as set out in this charter, the Board will at all times recognise its responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of EastPack Ltd shareholders, including its employees, customers and the wider community.

In carrying out its activities, the Board is committed to achieving high standards of corporate governance.

### 2.0 THE PURPOSE

EastPack's purpose is "To be a world class company providing Post Harvest services (grow, harvest, pack, coolstorage and growing) that maximise the returns to Growers and shareholders".

### 3.0 ROLE OF THE BOARD

- 1) The primary role of the Board is to create long term value for shareholders by providing strategic guidance for EastPack Ltd and effective oversight of management. The board is responsible for the following:
  - a. Setting the tone for the organisation and living the world class standards that are required, including a high quality governance culture, high standards of ethics and performance and corporate behaviour
  - b. Establishing key strategic goals and setting the strategic direction of EastPack
  - c. Keeping our people safe at all times
  - d. Monitoring performance and integrity of reporting
  - e. Selecting and appointing the Chief Executive, determining conditions of employment, determining authority levels and monitoring performance against established objectives
  - f. Ensuring the company has appropriate risk management/regulatory compliance policies in place
  - g. To ensure that Management is proactively seeking to build the business through innovative initiatives using technology with a future focus to create wealth for its shareholders

- 2) To uphold EastPack's values of:
  - a. Commitment
  - b. Leaders
  - c. Valuing People
  - d. Integrity
  - e. Safety Focused
  - f. Excellence
  - g. The EastPack Board values of respect, trust, open mind, integrity and loyalty

#### **4.0 THE BOARD**

The Board will be structured to ensure that as a collective group, it has the skills, experience, knowledge, diversity and perspective to fulfil its purpose and responsibilities.

The EastPack Constitution provides that the board comprises between six and ten Directors. The Board has determined that the current maximum number of directors should be eight. It has been determined by the shareholders that EastPack should have two Independent Directors the balance being Shareholder Directors.

The Board seeks to ensure that Directors are:

- a. Appropriately introduced to EastPack's Management and businesses
- b. Acquainted with relevant industry knowledge
- c. Receive all appropriate papers, policies and documents to enable them to effectively fulfil their duties and add value to EastPack
- d. Encouraged to undertake appropriate training and education so that they may best perform their duties
- e. Updated on relevant industry and EastPack issues, including briefings from key executives and ongoing presentations to the Board

The Board is responsible for ensuring the composition of the Board is appropriate to the activities and ownership of the Company, including ensuring it has adequate skills, knowledge and experience to meet its responsibilities

##### **Election and Tenure of Board Directors**

A third of the Shareholder Directors shall by rotation, retire from office each year at the Annual General Meeting. Those directors may offer themselves for re-election bearing in mind that the maximum tenure a Shareholder Director may hold office is expected to be no longer than 12 years. The maximum tenure an independent Director may hold office, is expected to be no longer than nine years.

If extenuating circumstances exist, the board may waive this guideline in respect of any Director enabling them to hold office for a tenure longer than the stipulated expected maximum length a director may hold office (e.g. to contest or take on the Chairman's role, or to fill a skillset or experience gap).

## **Director Obligations**

Each director will conduct themselves in accordance with their legal duties and other obligations, which include:

- a. Directors must act honestly and in good faith in what the Director believes to be in the best interests of EastPack
- b. Directors must carry out their duties in a lawful manner and use reasonable endeavours to ensure that EastPack carries out its business in accordance with, any applicable laws, commercial integrity, and high ethical and moral standards
- c. Directors must avoid conflicts of interest wherever possible, and where these do arise, they must declare and manage the conflict of interest. The affected Director should excuse themselves from the discussion and should not vote on any matters in which they have an interest
- d. Shareholder Directors must seek Mark Giles approval, and if absent or a conflict of interest arises, to then seek approval from John Loughlin and notify the board before the purchasing or selling of any EastPack shares
- e. Directors commit to the collective, group decision making processes of the Board. Discussions will be open and constructive, recognising differences of opinion can bring greater clarity and lead to better decisions
- f. Once decisions have been made by the board, all Directors are expected to support the letter and spirit of those decisions outside the Board
- g. Directors will keep confidential all board information, discussions, deliberations and decisions that are not publicly known. Directors' obligations of confidentiality continue after they have ceased to be Directors

## **Independent Advice**

Any Director is entitled to obtain, at EastPack's cost, independent professional advice relating to the discharge of their responsibilities as a Director. It is expected that the Director would consult with the Chairman prior to obtaining this advice to ensure independence and to avoid duplication. Any advice obtained should be made available to all Board Directors

## **5.0 THE CHAIR**

The Directors will elect one of their members as Chairperson of the Board, at the first full board meeting following each Annual Meeting.

As the meetings' facilitator, the Chair should ensure that Directors have the opportunity to air differences, explore ideas and generate a collective view necessary for the proper operation of the Board and EastPack Ltd.

The Chair will ensure that the Board decisions provide clear guidance to the Chief Executive regarding expected outcomes.

The Chair carries out a leadership role in the conduct of the Board and is responsible for representing the Board to shareholders, ensuring integrity and effectiveness of the governance processes of the board and maintaining regular dialogue with the Chief Executive over all operational matters.

The Chair will consult promptly with other Directors over any matters about which the Board should be aware.

## **6.0 BOARD COMMITTEES**

The Board may at its discretion establish Board committees to act on its behalf. Membership will be determined with regard to workload, skills and experience. Board committees will observe the same rules of conduct and procedure as the board unless the board determines otherwise.

### **6.1 The EastPack Board Standing Committees are:**

#### **Remuneration and Appointments Committee**

Committee members: Hendrik Pieters – Chairman, Mark Giles and Mark Hudson

#### **Audit and Risk Committee**

Committee members: Mike Maltby – Chairman, John Loughlin and Adrian Gault

#### **Health and Safety Committee**

Committee members: Full Board, Murray McBride - Chairman

#### **Directors Remuneration Committee**

Committee members: Peter McBride, David Jensen, Ken Young, John Loughlin to represent Board

### **6.2 EastPack Board Working committees:**

#### **Information Systems Committee**

Committee members: Mark Giles – Chairman, Mike Maltby and Mike Montgomery

#### **Leadership Committee**

Committee members: Adrian Gault – Chairman, Mark Giles and Hendrik Pieters

#### **Capital Structure Committee**

Committee members: John Loughlin – Chairman, Adrian Gault, Mike Montgomery, Hendrik Pieters and Hamish Simson

The Chair of each committee shall report back to the full Board on the activities of the committee.

Where appropriate the minutes of all committees and subsidiaries should be appended to the full EastPack Board papers.

## **7.0 MEETINGS OF THE BOARD**

The Board shall meet as often as is deemed necessary to effectively carry out its responsibilities.

There will be no less than 10 meetings a year. Written notice of Board meeting and Committee meeting dates, times and locations will be prepared by the Company Administrator and updated monthly in the Board Calendar and Directors outlook diaries.

The agenda will be determined by the Chair in consultation with the Chief Executive and Company Administrator, with each Director being entitled to suggest agenda items.

The confirmed agenda and Board papers will be available to members in sufficient time before Board meetings to allow attendees to familiarise themselves with the content. This will be available on EastPack drop box and a printed copy will be delivered.

Minutes will be kept of all meetings.

The Chief Executive, Chief Financial Officer and Company Administrator will attend all Board meetings and other members of the Senior Leadership Team may be invited to attend Board meetings.

The Chair may require any Director or other attendee to leave a meeting at any time.

Visits to company sites will be arranged when appropriate and reports and presentations from key executives on EastPack's business and operations will be incorporated into the Board meeting schedule on a regular basis.

## **8.0 REVIEW OF BOARD PERFORMANCE**

The Remunerations and Appointment committee shall lead a review on the performance of the Board and its Charter including:

- a. The performance of the Board as measured against the requirements of this Charter
- b. A review of the Board's committees and their terms of references
- c. Consideration of the effectiveness of the Board's processes and procedures
- d. Will initiate a full board performance review annually and will recommend the timing and format of the review

## **9.0 DEVELOPMENT OF FUTURE LEADERS**

The board will ensure that there is a talent pipeline for the development of potential leaders for Eastpack and the wider industry.

## **10.0 COMPANY ADMINISTRATOR**

The Company Administrator is accountable to the Board, through the Chairman, on all governance matters. The Company Administrator plays a significant role in monitoring compliance with the Board policy and procedures, and with timely completion and dispatch of the Board agenda and briefing material. All Directors have access to the Company Administrator.

## 11.0 APPENDIX

### **Entities and Subsidiaries of EastPack**

#### **EastPack Entity Trust (EET)**

The EastPack Entity Trust (EET) is an independent Trust which administers the redistribution of ZESPRI grower funds to EastPack's growers. EET has a service agreement with EastPack to provide packing, Coolstore and logistical services.

The Board of Directors of EastPack Ltd are the Trustees for the EET.

Two Directors from the EastPack Board sit on the EET Advisory Forum with full voting rights. Current Directors on trust are Adrian Gault and Michael Montgomery.

The Chair of EET is elected by the Advisory Forum and will not be an EastPack Director.

#### **Subsidiaries**

##### **EastPack Kiwifruit Operations (EKO) - 100% subsidiary of EastPack**

EKO provides orchard lease and management services on behalf of EastPack. The Board of EKO will comprise of three EastPack Directors and the current EastPack CEO (Mark Hudson (Chair), Hendrik Pieters, Adrian Gault and Hamish Simson (CEO)).

##### **The Nutritious Kiwifruit Company Ltd (NutriKiwi) – Joint Venture between EastPack (50% shareholding), with partners OPAC, DMS and Trevelyan's**

NutriKiwi is a joint venture formed with three other Post Harvest Operators to market Class 2 kiwifruit product predominately into Australia.

EastPack has two Directors on its Board (Murray McBride and Hamish Simson).

##### **Kiwi Produce Ltd (KPL) - 20% shareholding, Geoff Oliver 80%**

KPL packs and markets class 3 kiwifruit in the local market, along with other produce.

EastPack has one representative on its Board (Hamish Simson).

##### **Southlink Supply – 100% Shareholding**

Acts as EastPack's Agent to supply kiwifruit logistical services to Zespri.

EastPack has two Directors on its Board (Mike Montgomery and Hamish Simson).

##### **Tauranga Kiwifruit Logistics Ltd (TKL) - 34% shareholding, G6 Logistics Holdings Ltd 33%, Seeka 33%**

Joint Venture with other Post Harvest to organise and coordinate the cartage of kiwifruit to the Tauranga port.

EastPack has one Director on its Board (Michael Montgomery)

**Te Matai Kiwi No. 1 Ltd - 100% shareholding**

Joint Venture Kiwifruit Orchard development in Te Puke.

Chair - Michael Montgomery

**Kaikoura Gold Kiwifruit Development Ltd Partnership – 7.69% shareholding (previously known as Raukokore Gold Kiwifruit Development Ltd Partnership)**

Joint Venture kiwifruit orchard development at Raukokore, Eastern Bay of Plenty.

EastPack's representative on the Board is Adrian Gault.