



## **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 ("EastPack") and its stakeholders including shareholders, 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 VISION & MISSION**

EastPack's vision is "To be the kiwifruit industry's packer and employer of choice".

EastPack's mission is "To maximise the return for our Growers' fruit".

### **3.0 ROLE OF THE BOARD**

- 1) The primary role of the Board is to create long term value for shareholders (in their capacities as growers and 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 and risk appetite of EastPack;
  - c. Keeping our people, contractors and the general public who come in contact with our operations safe at all times;
  - d. Packing and storing kiwifruit to ensure food safety for global consumers, brand integrity for ZESPRI and high value outcomes for growers;
  - e. Monitoring the financial control environment, the integrity of reporting and performance, approving business plans, and monitoring operational and financial performance against the plan;
  - f. Selecting and appointing the Chief Executive, determining conditions of employment, determining authority levels and approving matters over those levels, and monitoring performance against established objectives;
  - g. Ensuring the company has appropriate policy framework in place and approval process;
  - h. Ensuring that Management is proactively seeking to build the business through innovative initiatives using technology with a future focus to maximise the potential for high value fruit outcomes for its shareholders;
  - i. Reporting to shareholders through the Annual Report, Audited Financial Statements, Annual Meeting and periodic communications to ensure proper governance accountability; and
  - j. To ensure a fairly informed market for shareholders and prospective grower shareholders to transact in EastPack shares.

2) To uphold EastPack's values of:

Driven

- We work together to maximise fruit potential
- We're committed, adaptable and determined to improve
- We lead by example
- We get the job done – and get results

Straight up

- We're honest and open with each other
- We take responsibility for our actions and results
- We're trustworthy and do what we say we will

Cutting edge

- We're innovative and never afraid to break new ground
- We're switched on – researching and investing in new technology
- We're always on the lookout for better ways to do things

Resilient

- We're up for a challenge and ready to go the extra mile
- We offer incredible service, even under pressure
- We are able to take fruit when it is ready and get consistently strong results.

Caring

- We value, develop and empower our people
- We look out for each other's safety
- We value diversity and support our community
- We're respectful, available and fair – to each other and our Growers

The EastPack Board values of integrity, respect, trust, open mindedness, 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 nine Directors. The Board has determined that the current number of directors should be nine as part of a transition of independent directors. It has been determined by the shareholders that EastPack should have up to three Appointed Directors, the balance being elected Shareholder Directors.

Appointed Directors must be confirmed by the shareholders at the following Annual Meeting of the Company.

If shareholders or the Board determine that the number of directors should be reduced from the maximum of 9 to 8 the shareholders may by ordinary resolution elect that all directors must retire and seek re-election to the Board. The notice of meeting for the meeting must specify that one of the purposes for the meeting is to vote on such a resolution. If such a resolution is passed by shareholders, nominations may be received from other candidates for election as a director. The 8 directors with the highest number of votes will be elected as directors of the company.

The Board seeks to ensure that Directors are:

- a. Appropriately introduced to EastPack's Management and businesses;
- b. Acquainted with relevant industry knowledge;
- c. Informed by way of 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 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 Chair's role, or to fill a skillset or experience gap).

The Shareholder Directors will review the performance and contributions of Appointed Directors at least annually and will consider the desirability of rotation and the fit to skill mix requirements. Appointed Directors will resign from the board if that is the collective wish of the Shareholder Directors.

The Board will be proactive in championing diversity initiatives developing pathways, training and opportunities for women and ethnic minority members of the community to realise their potential in elected and appointed governance and management positions associated with EastPack and the wider kiwifruit industry.

### **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 approval from an appointed director (currently Mark Yeoman), and if absent or a conflict of interest arises, to then seek approval from the Chair 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; and
- 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.
- h. Directors will not accept gifts or personal benefits of any value from external parties if that could be perceived as compromising or influencing any decision by the Director or EastPack.
- i. Directors will act constructively and with good intent towards one another at all times.

### **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 Chair 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**

4 members of the Board

**Audit and Risk Committee**

4 members of the Board

**Health and Safety Committee**

The full Board

**Directors Remuneration Committee**

3 elected grower members, 1 appointed Board member

**6.2 EastPack Board Working Committees:**

**Leadership Committee**

3 members of the Board

**Investment Fund Committee**

3 or 4 members of the Board

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 9 meetings a year. Written notice of Board meeting and Committee meeting dates, times and locations will be prepared by the Board Secretary 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, 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 via the Diligent Boards application.

Minutes will be kept of all meetings.

The Chief Executive, Chief Financial Officer and Board Secretary 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 reference;
- c. Consideration of the effectiveness of the Board's processes and procedures; and
- 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 RELATIONSHIP WITH MANAGEMENT**

### **CEO**

- a. The CEO will be the primary point of accountability and link between the Board and operational management functions.
- b. All Board authority conferred on management is delegated through the CEO. The CEO is accountable to the Board for the authority that is delegated and for the performance of EastPack. The CEO works in a constructive partnership with the Board.
- c. Management reports to the Board through the CEO, and the CEO reports to the Board directly at Board meetings and in written updates and through to the Chair.
- d. The Board recognises that, while the CEO is not a Director, the CEO must have full access to the Board and to fully engage in Board discussions in a frank, open and constructive dialogue with Directors.
- e. The Board will from time to time meet without management attendance, where this is appropriate.
- f. Directors are entitled to have access, at all reasonable times, to all relevant information and to management. In the normal course, this access will be directed through the CEO or Board Secretary.

### **Board Secretary**

The Board Secretary is accountable to the Board, through the Chair, on all governance matters. The Board Secretary 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 Board Secretary.

## **11.0 REVIEW**

An annual review of the Board Charter will take place at the first full board meeting following each Annual Meeting.

## 12.0 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.

EastPack Ltd is the Trustee of EET and therefore the Directors of EastPack are in effect acting as the Trustees of EET.

Two Directors from the EastPack Board sit on the EET Advisory Forum with full voting rights.

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

#### **Subsidiaries**

#### **The Nutritious Kiwifruit Company Ltd (NutriKiwi) – Joint Venture between EastPack (50% shareholding), with partners 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 one Director on its Board with one other to be appointed if required.

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

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

EastPack has two Directors on its Board.

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

Joint Venture with other Post Harvest operators to manage the onshore logistics from coolstore to ships hook as per the 1999 Kiwifruit Regulations.

EastPack has one Director on its Board.

#### **Te Matai Kiwi No. 1 Ltd – 100% shareholding**

EastPack owns 10% of Te Matai Kiwi Partnership (Joint Venture Kiwifruit Orchard development in Te Puke.) EastPack has one Director on its Board.

#### **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 has one representative on the Board.



**Pinpoint Laboratory Services Limited (trading as Pinpoint Hort Lab Services) – 100%**

Provide laboratory services to EastPack and maturity clearance testing and other services to Zespri.

EastPack has two Board members and one Management representative on the Board. An Independent Director may be added as required.

**Prospa Orchard Management Services Limited – 100% and its wholly owned subsidiary Prospa Contracting Services Limited**

Provide orchard management and spraying/mowing services.

EastPack has two Board members and one Management representative on the Board.