

New Zealand Shareholders' Association

Board Charter

March 2023

1. Charter Purpose

This Charter seeks to clarify the responsibilities and governance processes that the NZSA will utilise in achieving the Association's purpose.

It does not replace the Association's Rules (September 2022), from which it draws, but expands upon the Board's duties and responsibilities laid out therein and sets out the Board's delegation to its CEO.

2. Organisations' Purpose

The vision for NZSA is to be a **trusted and respected voice for all retail investors**.

As laid out in the strategic plan, the NZSA's aims:-

"To represent, protect and promote the interests of investors in shares and other Investment products.

To promote and encourage an active, efficient, fair and transparent market for raising capital and trading shares and other products"

This purpose will be regularly reviewed as part of the organisation's annual strategic planning process.

The Board are expected to uphold the values of NZSA, as described below:

Independence	Advocacy	Respect	Inclusiveness	Evidence-based	Outcome-focused
<i>Our independence is our key point of difference, driving our credibility and objectivity</i>	<i>Our advocacy supports all investors and the constructive improvement of listed markets</i>	<i>The way we behave earns respect</i>	<i>We are a friendly, welcoming space for all investors, no matter their background, status or experience</i>	<i>We make decisions based on evidence and best practice</i>	<i>We remain focused on delivering our mission</i>

3. Board Governance Process

This section is in addition to that expressed in section 10 of the NZSA Constitution.

The role of the Board is to effectively govern, represent, and promote the interests of, the Association with a view to meeting its strategic objectives.

The Board will provide governance oversight and strategic direction for the NZSA.

The Board will direct and supervise the management of the business and affairs of the Association including:

1. Ensuring that the Association's goals are clearly established, and strategies are in place for achieving them
2. Overseeing the implementation against strategic goals, including the approval and monitoring of progress of major projects and material transactions
3. Provide support and/or prioritisation to ensure effective allocation of NZSA human capital and financial resources
4. Establishing policies for strengthening the performance of the Association, including internal policies and cultural norms
5. Management is proactively seeking to build the Association through innovation, initiatives, technology, new membership products and the continuous development of its value proposition
6. Continuously determining the best Governance structure for the Association and ensuring its implementation. This will include the development of ongoing succession plans for Board Members and key NZSA staff
7. Appointing the CEO, setting the terms of the CEO's employment contract and reviewing the CEO's performance
8. Ensuring the Association's financial statements are true and fair and otherwise conform with the law
9. Identifying and reviewing key risks facing NZSA and ensuring the Association has appropriate risk management/regulatory compliance policies in place.
10. Maintain effective Board reporting processes

In carrying out its duties the Board will use its best endeavours to familiarise itself with issues of concern to all relevant stakeholders. The Board recognises that the Association's long-term survival and prosperity are closely intertwined with the environments and markets within which it operates and the extent to which the Association is seen as a responsible body.

4. Delegation to CEO

The Board delegates to the CEO the power to manage the business operations and day-to-day affairs of the Association, in line with the Strategy and Annual Business Plan approved by the Board. This includes, but is not limited to:

1. business plan development (subject to board approval)
2. management of core Association functions, including company reviews and voting, event and other investor-related materials
3. management of core processes to support the ongoing sustainability of the NZSA – including financial reporting, IT and volunteer development.
4. Media comment and management

The CEO is required to provide information to the Board to support core Board functions. Matters retained for approval by the Board include:

1. appointment of NZSA reviewer
2. Approval of strategies, business plans and budgets
3. Approval of CEO remuneration and expense approval

5. Board Culture

The Board recognises it must not only ensure the Association adheres to the highest standards of ethics and behaviour but actively strives to conform to an appropriate culture.

The culture desired can be outlined as:-

1. We deliver on our promises by executing well and to agreed time frames.
2. We are an organisation that makes good decisions. This comes about through open and frank debate about evidence-based decision-making.
3. Open and frank discussion comes about when we have respect for each others' opinions; we listen as well as talk and are open-minded to others' views. If we have a right to an opinion, we have a duty to express it, without being dogmatic.
4. We act with honesty and integrity at all times.
5. We work as a team and accept the team's decisions (i.e. Collective Responsibility).
6. We will be bold and not shirk from a viewpoint or action because it is controversial.
7. We will be future looking whilst learning from the lessons of the past.
8. Successful organisations come about through alignment with the organisation's objectives which have been derived through robust debate.
9. Diversity is critical to robust decision making. Diversity comes from philosophical and experiential differences, which in turn may have been shaped by gender and ethnicity. Diversity's benefits are delivered when an organisation's culture supports and encourages open and frank debate.