

# BOARD CHARTER

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## 1. PURPOSE

This Board Charter ("**Charter**") sets out the role, responsibilities, composition and structure of the board of directors of Oceania Healthcare Limited ("**Oceania Healthcare**") ("**Board**").

This Charter does not attempt to provide a complete record of all formal and informal rules relevant to the Board.

## 2. ROLE AND RESPONSIBILITIES OF THE BOARD

The Board has ultimate responsibility for the strategic direction of Oceania Healthcare and its subsidiary companies and for supervising Oceania Healthcare's management for the benefit of shareholders.

The Board's responsibilities include:

- (a) setting and overseeing the execution of Oceania Healthcare's strategy;
- (b) supervising management in the operation of Oceania Healthcare's business;
- (c) ensuring that appropriate systems and processes are in place so that Oceania Healthcare's business is conducted in an honest, ethical, responsible and safe manner;
- (d) approving policies that govern the management and operation of Oceania Healthcare's business;
- (e) overseeing and reviewing Oceania Healthcare's health and safety framework and strategy;
- (f) appointing the Chief Executive Officer and monitoring the performance of the Chief Executive Officer and senior management;
- (g) ensuring that adequate plans and procedures are in place for succession planning;
- (h) monitoring Oceania Healthcare's financial performance, including the approval of the interim and annual financial statements and reports and ensuring integrity in financial reporting;
- (i) approving financial and dividend policies and the operating budget, and reviewing overall performance against what has been approved;
- (j) ensuring that Oceania Healthcare has appropriate risk management and regulatory compliance policies and processes in place and monitoring the integrity of these policies and processes to manage risk;
- (k) ensuring that Oceania Healthcare complies with its continuous disclosure obligations and that procedures are in place for compliance with its Market Disclosure Policy;
- (l) approving transactions relating to material acquisitions and divestments and approving capital expenditure above the authority limits delegated to management;



- (m) overseeing Oceania Healthcare's commitments to its values, sustainable development, the environment and the health and safety of employees, contractors, customers and the community; and
- (n) safeguarding and enhancing Oceania Healthcare's image and reputation.

In performing its responsibilities, the Board operates in accordance with all applicable laws and regulations, the constitution of Oceania Healthcare ("**Constitution**") and the applicable requirements of the NZX Listing Rules and the ASX Listing Rules.

A copy of the Constitution can be found on Oceania Healthcare's website.

### **3. CONDUCT**

The Board is committed to sustaining the highest standards of governance, ethics, corporate behaviour and accountability and to preventing harm to those in Oceania Healthcare's workplaces and those affected by Oceania Healthcare's operations.

The Board has approved and adopted a Code of Values and Conduct for Oceania Healthcare which is a formal statement acknowledging the commitment of the Board, management and staff to maintaining the highest standards of honesty, integrity and ethical conduct in day-to-day behaviour and decision-making at Oceania Healthcare.

A copy of the Code of Values and Conduct is available on Oceania Healthcare's website.

The Board will use its best endeavours to familiarise itself with issues of concern to all relevant stakeholders. The Board recognises that Oceania Healthcare's long term prosperity is closely intertwined with the environment and communities within which it operates and the extent to which Oceania Healthcare is seen as a responsible corporate citizen.

### **4. BOARD COMPOSITION AND DIRECTOR INDEPENDENCE**

The Board will ensure it is of an effective composition, size, and commitment to adequately discharge its responsibilities and duties in such a way that it:

- (a) has a proper understanding of, and competence to deal with, the current and emerging issues of Oceania Healthcare;
- (b) exercises independent judgement;
- (c) encourages enhanced performance of Oceania Healthcare; and
- (d) can effectively review and challenge the performance of management.

The number of Directors on the Board at any one time is determined in accordance with the Constitution. Board membership details are disclosed on Oceania Healthcare's website.

The Board will comprise of a majority of independent non-executive Directors (and will otherwise ensure that the minimum number of independent Directors required by the NZX Listing Rules is maintained), with a minimum of two Directors who will be ordinarily resident in New Zealand (excluding alternate Directors).



The Board's criteria for determining independence will be the requirements of the NZX Listing Rules, and having regard to the NZX Corporate Governance Code and the ASX Corporate Governance Principles and Recommendations (in each case, to the extent applicable).

The Board will assess the independence of Directors on their appointment, with continued review of independence undertaken regularly. The Directors acknowledge that a change in the status of a Director's independence must be disclosed promptly and without delay.

## 5. DIRECTOR APPOINTMENT AND ROTATION

From time to time the Board will review the composition of the Board by examining:

- (a) The Board's objectives, strategy and operations and the extent to which they have been achieved;
- (b) The Board's composition, strengths and weaknesses and likely accession issues; and
- (c) The skills and attributes required to enable the Board to function effectively.

The Board will identify candidates (using objective criteria) who are qualified to become Board members and consider candidates based on merit, the needs of the Board as a collective, and the Board's strategic objectives. The criteria for the selection of Directors will be reviewed regularly by the Board.

The Board has a procedure in place when selecting candidates which provides for:

- (a) proper checks (as to a person's character, experience, education, criminal record and bankruptcy history);
- (b) the provision of key information about a candidate to shareholders to assist their decision as to whether or not to elect or re-elect a candidate (including, without limitation, biographical details, relevant skills and experience, and details of any other material directorships that they hold); and
- (c) if the candidate is standing for the first time, the provision of any material adverse information revealed by checks that the Board has performed (including information regarding the person's character, criminal record or bankruptcy history) to shareholders; or
- (d) if the candidate is being re-elected, the provision of information about the term of office served by the Director to shareholders.

Directors will be selected based on a range of factors, including the perceived needs of the Board at the time with reference to the Diversity Policy. All Directors will enter into letter of appointment with Oceania Healthcare, signed by the Chairperson of the Board. The letter will set out what is expected of Directors, including (without limitation):

- (a) Their role and responsibilities;
- (b) Board expectations;
- (c) Time commitment;
- (d) Commitment service; and



- (e) Involvement outside Board meetings.

The Board will also review Board succession planning from time to time, including active involvement in succession planning for the Chairperson of the Board.

The Board may appoint Directors to fill casual vacancies. Under the Constitution, the Directors appointed by the Board will be required to retire at the next annual meeting after their appointment but will be eligible for election at that meeting.

Unless permitted by the NZX Listing Rules, no Director may hold office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is longer. Directors may be appointed for further terms subject to their re-election being approved by shareholders.

## **6. CHAIRPERSON'S APPOINTMENT AND ROLE**

The Chairperson is elected by the Board. The Chairperson of the Board shall be confirmed at the first Board meeting after the annual meeting each year.

The Chairperson of the Board must be an independent Director and must not be the same person as the Chief Executive Officer or the chairperson of the Audit Committee.

The Chairperson's responsibilities are to:

- (a) Provide effective leadership to the Board and to Oceania Healthcare, and be the primary interface with the Chief Executive Officer.
- (b) Promote the integrity and effectiveness of the governance process of the Board, and the efficient and ethical conduct of Board meetings.
- (c) Provide Directors with the opportunity to discuss contrasting views, explore ideas and generate the collective views and contribution of knowledge necessary for the effective operation of the Board and Oceania Healthcare.
- (d) Maintain regular dialogue with the Chief Executive Officer on operational issues and financial performance and, where required, escalate matters to all Directors for consideration and resolution.
- (e) Chair meetings of the Board and of shareholders, and represent the Board with shareholders and stakeholders.
- (f) Approve, in consultation with the Board, the appointment of consultants who report to the Board.

## **7. RESPONSIBILITY OF INDIVIDUAL DIRECTORS**

### **Directors' Principal Duties**

The Directors are committed to the proper and responsible fulfilment of their duties to Oceania Healthcare and to the shareholders. In particular, the Directors are mindful of their legislative duties which include, but are not limited to, the following:

- (a) Directors must act in good faith and in the best interests of Oceania Healthcare;



- (b) Directors must exercise a power for a proper purpose;
- (c) Directors must not act in a manner that contravenes the law or the Constitution;
- (d) Directors must not agree to the business being carried out to cause substantial risk of serious losses to Oceania Healthcare's creditors, or incurring an obligation unless Oceania Healthcare can perform the obligation when it is required to do so.

### **Use of Company Information**

A Director must not disclose information obtained in his or her capacity as a Director of Oceania Healthcare (and that would not otherwise be available to him or her) to any person, make use of or act on that information, except for the purpose of Oceania Healthcare, as required by law, or complying with the Director's obligation to disclose his or her interest in a transaction of Oceania Healthcare.

### **Authorised Disclosure of Information**

A Director may, unless prohibited by the Board, disclose such information to a person whose interests the Director represents.

A Director may also disclose, make use of, or act on such information if:

- (a) The particulars of the disclosure, use, or act are entered in the interests register;
- (b) The Director is first authorised to do so by the Board; and
- (c) The disclosure, use or act will not be likely to prejudice Oceania Healthcare.

## **8. COMPANY SECRETARY**

The Company Secretary of the Board is responsible for providing administrative support in respect of Board policy, procedure, recording of minutes, co-ordinating the timely dispatch of the Board agenda and briefing material, providing advice on any legal matters affecting the Board's decisions or the operation of the business, assisting the Chairperson with any shareholder communication and maintaining all official Board and company records and statutory registers.

## **9. DELEGATION OF AUTHORITY**

The formulation and implementation of policies and reporting procedures for management has been delegated to the Chief Executive Officer. The Board's delegation of the conduct of the day to day affairs of Oceania Healthcare to the Chief Executive Officer is made within these terms. The Board monitors those delegations. The Chief Executive Officer in turn implements a Delegation of Authority Policy which sets limits on certain decision making and achieves individual accountability.

## **10. BOARD COMMITTEES**

The Board has established four Committees:

- (a) **The Audit Committee** - assists the Board in providing oversight of all matters relating to financial management and financial risks and internal controls, financial accounting, audit and the external reporting requirements of Oceania Healthcare and its subsidiary companies.



- (b) **The Remuneration Committee** - assists the Board in the discharge of its responsibilities and oversight relating to the remuneration and performance of the Chief Executive Officer and the Senior Management team, remuneration of Directors and human resources policy and strategy.
- (c) **The Clinical and Health & Safety Committee** – assists the Board to focus on clinical risks, health & safety policy and risks arising from Oceania Healthcare’s physical operations, and any other matters that may affect Oceania Healthcare’s reputation outside of the financial risks that are specifically addressed within the Audit Committee.
- (d) **The Development Committee** – assists the Board in providing oversight on proposals relating to major property acquisitions and construction developments, remediation, refurbishment and long-term maintenance works, design of new buildings and providing advice on planning and development processes.

The task of Committees generally includes reviewing and assessing policies and strategies developed by management, which are within their terms of reference, and the performance of management in relation to them. Where appropriate, the Committees will make recommendations to the Board. Committees are not to take action or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so.

A copy of each Committee's Charter is on Oceania Healthcare's website. From time to time the Board may establish other standing or temporary committees to consider or monitor specific projects or issues.

The composition and chairperson of each Committee shall be confirmed at the first Board meeting after the annual meeting each year.

## 11. BOARD MEETINGS AND PROCEEDINGS

Board meetings and proceedings are primarily governed by legislation and by the Constitution. Outside these requirements, Board meetings and proceedings operate on the following basis:

- (a) **Frequency** - The Board meets a minimum of nine times per year. Additional meetings may be scheduled at the discretion of Directors, as deemed necessary to discharge their obligations. Directors also participate in strategy and professional development workdays.
- (b) **Quorum** - The Constitution requires that a quorum is a majority of Directors (with a minimum of two independent Directors) present and entitled to vote.
- (c) **Board material** - To enable appropriate review by Directors, the information and approval papers for Board meetings are sent to Directors five clear days in advance of Board meetings, in paper and/or electronic form (except in the case of a special meeting, for which the time period may be shorter due to the urgency of the matter to be considered). The content, presentation and delivery of papers to Directors for each meeting is produced according to the guidelines agreed by the Board and as deemed necessary to enable the Board to effectively discharge its duties.
- (d) **Minutes** - Proceedings of all Board and Committee meetings are minuted and signed by the chairperson of the relevant meeting, subject to prior circulation to Directors and approval by the Board or relevant Committee. All discussions at Board and Committee meetings and the meeting minutes remain confidential unless there is a specific direction from the Board or disclosure is required by law.



- (e) **Agenda** - The Company Secretary, in conjunction with the Chief Executive Officer and Chairperson, establishes the agenda for each Board meeting. Each month there are regular standing items and Directors are free to introduce additional agenda items for discussion outside the formal agenda.
- (f) **Closed session** - The Board may elect to meet without the Chief Executive Officer and/or management present, for a closed discussion on any Oceania Healthcare issue.
- (g) **Invitees** - Directors and the Chief Executive Officer (with the prior consent of the Chairperson) may invite members of management and/or advisors to attend Board meetings as deemed appropriate to discuss or obtain further information on any matter.
- (h) **Method of meeting** – Directors’ meetings may be held by Directors communicating with each other through any technological means by which they can participate in discussion even though they may not be physically present.
- (i) **Written resolutions** – All Directors entitled to vote on the resolution may, from time to time, sign a resolution in writing which shall be as valid and effective as if passed at a meeting of the Board duly convened and held, however the use of written resolutions in lieu of a meeting of the Board shall be discouraged.

## 12. RELIANCE ON ADVICE

The Board is expected to exercise a high standard of commercial judgement.

In doing so, Directors are entitled to rely on the honesty, integrity and advice of Oceania Healthcare's management team and its external advisors and auditors, but must not substitute reliance on the advice of management and third parties for the Board's own due consideration of the issues presented to it for review and approval.

In discharging their respective duties, individual Directors may (with the prior approval of the Chairperson) engage and consult with professional advisors from time to time, with any costs being met by Oceania Healthcare.

Management should provide information of sufficient content, quality and timeliness to the Board to enable it to effectively discharge its duties.

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.

## 13. INDUCTION AND TRAINING

The Board will ensure that any new Directors are appropriately introduced to management and the business, that all Directors are acquainted with relevant industry knowledge and receive copies of appropriate company documents to enable them to perform their role.

The Board will ensure that there is appropriate training for all Directors enabling them to remain current on how to best discharge their responsibilities as Directors including keeping abreast of changes and trends in economic, political, social, financial and legal climates and governance practices.

It is expected that all Directors will continuously educate themselves to ensure that they may appropriately and effectively perform their duties. In addition, visits to specific Oceania



sites, when appropriate, and briefings from key executives and industry experts will be arranged.

#### **14. EVALUATION OF BOARD PERFORMANCE**

The Chairperson will lead an annual performance review and evaluation of the Board as a whole against the Charter including seeking Directors' views relating to Board process, efficiency and effectiveness, for discussion by the full Board. The Chairperson will engage with individual Directors to evaluate and discuss performance and professional development.

#### **15. DISCLOSURE OF INTEREST/CONFLICTS OF INTEREST**

In order that the Board may assess Directors' independence, each Director is required to disclose:

- (a) all actual or potential conflicts of interest, including all relationships he or she has with Oceania Healthcare (or any of its subsidiary companies) and relevant private or other business interests to the Board (which will include relationships with competitors, substantial security holders or third party suppliers); and
- (b) any other information requested by Oceania Healthcare from time to time for the purposes of making a determination of independence under the NZX Listing Rules, and having regard to the NZX Corporate Governance Code and the ASX Corporate Governance Principles and Recommendations (in each case, to the extent applicable).

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 and tabled at each Board meeting.

It is expected that all Directors will be sensitive to actual and perceived conflicts of interest that may arise and they are expected to give ongoing consideration to this issue.

The Directors will minimise the possibility of a conflict of interest by restricting their involvement in businesses that could lead to a conflict of interest. Where a conflict of interest does arise, then Director will:

- (a) excuse himself or herself from the relevant discussions; and
- (b) in accordance with the NZX Listing Rules, will not exercise his or her right to vote in respect of such matter, unless it is a matter in respect of which Directors are expressly required by the Companies Act 1993 to sign a certificate.

#### **16. REMUNERATION**

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 Oceania Healthcare by that Director. The total fees available to be paid to Directors is subject to shareholder approval.

No retirement allowances are payable to Directors.

The Directors are entitled to reimbursement of all reasonable and properly documented expenses associated with undertaking their duties as a Director. All Directors' expenses





must be approved by the Chairperson of the Board. The Chairperson's expenses must be approved by the chairperson of the Audit Committee.

To the extent prohibited by applicable law the Directors will not use for personal gain, opportunities that are discovered through the use of Oceania Healthcare's property or Oceania Healthcare's information disclosed to Directors by virtue of their position as a Director.

The Directors will not accept gifts or personal benefits of any value from any external party if it would or could be perceived that this could compromise or influence any decision of Oceania Healthcare, and under no circumstances will they accept cash gifts.

The Directors will not offer gratuities or other personal rewards designed to influence business transactions.

## **17. DIRECTOR INDEMNITY AND INSURANCE**

All Directors have the benefit of an indemnity as provided for in the Constitution and as permitted by the Companies Act 1993.

Oceania Healthcare has Directors' and Officers' liability insurance. Most of the cost of this insurance is met by Oceania Healthcare, although some of the costs are met by Directors and management.

The existence of the indemnities and insurance is disclosed in Oceania Healthcare's interest register.

## **18. INCONSISTENCY WITH CONSTITUTION**

To the extent that there is any inconsistency between this Board Charter and the Constitution, the Constitution will prevail.

## **19. REVIEW**

This Charter was reviewed by the Board in December 2020 and will be reviewed annually.

