

ASSET PLUS LIMITED

CORPORATE GOVERNANCE MANUAL

---

## INTRODUCTION

Asset Plus Limited's ("APL", "the Company") Board of Directors ("the Board") and management are committed to ensuring that the Company maintains the highest ethical standards and integrity while delivering their primary objective, building long-term shareholder value.

APL's Board has therefore developed this corporate governance manual which guides the Directors, senior managers and representatives of APL so that their business conduct is consistent with APL's business standards and best practice governance policies. This Governance Manual (the "Manual") encompasses the decision-making policies and the mechanisms used to manage the Company.

APL's corporate governance policies are also designed to ensure that the Company obtains maximum benefit from Directors' expertise and judgment and creates an environment in which the Board can set a clear strategic direction and effectively monitor Company performance.

The APL Board of Directors has approved this Governance Manual. Publishing it on APL's website ([www.assetplusnz.co.nz](http://www.assetplusnz.co.nz)) (and other publications as appropriate) ensures Company stakeholders are aware of the Company's policies and associated procedures.

## CONTENTS

---

<b><u>Board Charter and Governing Principles</u></b> .....	<b><u>3</u></b>
<b><u>Code of Ethics</u></b> .....	<b><u>8</u></b>
<b><u>Disclosure Policy</u></b> .....	<b><u>10</u></b>
<b><u>Audit and Risk Committee Charter</u></b> .....	<b><u>12</u></b>
<b><u>Risk Management Policy</u></b> .....	<b><u>14</u></b>
<b><u>Nomination Committee Charter</u></b> .....	<b><u>17</u></b>
<b><u>Remuneration Committee Charter</u></b> .....	<b><u>20</u></b>

# ASSET PLUS LIMITED

## BOARD CHARTER AND GOVERNING PRINCIPLES

---

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

The Board establishes the Company's objectives, the major strategies for achieving those objectives, the overall policy framework within which the business of the Company is conducted and monitors management's performance with respect to these matters.

The Board delegates responsibility for the day to day operation and management of the Company to Augusta Funds Management Limited (the "Manager"). However, the Board has processes and systems in place to ensure that significant issues, risks and major strategic decisions are always considered at Board level. This allows the Company to operate on a day to day basis in a manner which maximises shareholder value and manages risk while seeking to ensure that the interests of shareholders are adequately protected.

Specific responsibilities of the Board and its Committees include:

- oversight of the Company including its control and accountability procedures and systems;
- setting the strategic direction and objectives of the Company;
- oversee audit and monitor risk;
- approval of operating plans including annual business plans and budgets;
- monitoring actual results against the annual business plan, budget and strategic objectives;
- delegating the appropriate authority of the management of the company, and monitoring management's performance on a regular basis;
- setting the remuneration of the Directors;
- approval and monitoring of the progress of capital expenditure, capital management initiatives and acquisitions and divestments;
- approval of capital structure and dividend policies; and
- oversight of disclosure and monitoring of price sensitive matters affecting the Company.

### **BOARD PERFORMANCE**

The Board reviews its performance as a whole on an annual basis and instigates additional comprehensive reviews as may be deemed necessary from time to time. External consultants may be commissioned as needed to assist in the assessment of individual Directors' performance, the effectiveness of the Board's processes and/or the Board's own effectiveness.

## **CONSTITUTION**

The Board is subject to the rules in the Company's Constitution. The Constitution, which provides further details on the Board composition, rotation of Directors and Board meeting procedures, is available to view in the Company's website.

## **SHARE TRADING**

Directors are encouraged to own securities in the Company in their own name (or through associated interests). Directors' security trading is subject to the Company's Share Trading Policy), the NZX Listing Rules and the Financial Markets Conduct Act 2013. All changes in the shareholdings of Directors are reported to the Board and the NZX. The Directors' shareholdings and changes to those shareholdings are also noted in the annual report to shareholders.

## **GOVERNING PRINCIPLES**

---

The Company's Directors and management are strongly committed to high standards of corporate governance and adherence to the following guiding principles:

### **Principle 1 – Code of Ethical Behaviour**

The Company expects its Directors, senior managers and representatives to act in a manner consistent with its guiding principles and the values set out in its Code of Ethics. This Code sets out clear expectations of ethical decision-making and personal behaviour with regard to confidentiality, securities trading, transparency, company information, conflict resolution processes, workplace responsibilities, environmental responsibility and stakeholder interaction.

### **Principle 2 – Board Composition & Performance**

The Board's composition is designed to foster independence of view and ensure the Directors hold an appropriate standard and mix of qualifications, skills and experience given the Company's existing operations and strategic objectives.

### **Principle 3 – Board Committees**

Committees established by the Board develop, review and analyse Company policies and strategies and operate under specific charters. Committees assist the Board to conduct its responsibilities in respect to all material matters and issues requiring Board decisions.

The standing committees of the Board are the Audit and Risk Committee, the Nominations Committee and the Remuneration Committee. The Board has considered that the Company's size prevents them from establishing separate committees at this time and therefore the full Board will fulfil the obligations of the Nominations Committee and the Remuneration Committee. This decision will be reviewed from time to time. The Board may create ad hoc committees where necessary to examine specific issues on its behalf.

### **Principle 4 – Reporting and Disclosure**

The Company is committed to providing the investment market with prompt and accurate information on all major events that influence the Company. The Company's Disclosure Policy is designed to ensure a high standard of compliance with NZX's continuous disclosure requirements. The Audit and Risk Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of the Company's financial statements.

### **Principle 5 – Remuneration**

The Remuneration Committee has the responsibility for ensuring that Directors are appropriately and fairly rewarded for their work. The Committee makes recommendations in respect of salary and incentive programmes and more generally on issues, plans and policies relating to employee management.

### **Principle 6 – Risk Management**

The Audit and Risk Committee has responsibility for establishing an acceptable risk tolerance and to actively identify, analyse, evaluate and appropriately treat risk that may impact on the business as set out in the Risk Management Policy.

**Principle 7 – Auditors**

The Audit and Risk Committee is responsible for overseeing the external audit of the Company and ensuring the independence of the external auditor. Accordingly, it monitors developments in the areas of audit and any threats to audit independence, to ensure its policies and practices are consistent with best practice.

**Principle 8 – Shareholder Rights & Relations**

The Board is committed to giving all shareholders comprehensive, timely and accessible information of all material matters concerning the Company, ensuring that shareholders can assess the Company's performance. The Board also values and encourages constructive dialogue with shareholders as outlined in the Company's Disclosure Policy.

# ASSET PLUS LIMITED

## CODE OF ETHICS

---

The Company's Code of Ethics is a framework of the standards by which the Directors, senior managers and representatives (including the Manager's personnel) are expected to conduct their professional duties and responsibilities in respect of the Company. This is intended to be a background code which will be applied in a manner that is consistent with the business objectives and legal obligations of APL.

### **1. CODE OF ETHICS**

- All Directors, senior managers and representatives of APL will undertake their duties with care and diligence and give proper attention to all of the matters that are placed before them for consideration.
- Directors, senior managers and representatives of APL will conduct themselves so that:
  - > they abide by the Company's Code of Values recognising that the legitimate interests of all Company stakeholders should be considered;
  - > they will not act in a way that could have or has the potential to bring the image of APL into disrepute;
  - > they will act to ensure that APL will not enter into transactions or make promises relating to the Company that are not intended to be honoured; and
  - > all reasonable endeavours are used to ensure that the records, documents, financial reports, and all other papers approved by the Directors are true, correct and conform to the highest level of integrity and accuracy.

### **2. CODE OF VALUES**

APL has established a Code of Values in recognition of its obligations to stakeholders, including shareholders, suppliers, tenants and the wider community, over and above its legal and other obligations. This Code of Values guides Directors, senior managers and representatives ensuring they:

- act with integrity, honesty and transparency and support this value through the highest standards of corporate governance;
- treat others with dignity and respect;
- seek to provide excellent service and develop beneficial partnerships with external stakeholders;
- strive for excellence and assist other stakeholders to achieve the same;
- are accountable; and
- aim to only positively impact the wider community environment.

### **3. CONFLICTS OF INTEREST**

- APL expects its Directors, senior managers and representatives to avoid conflicts of interest in their decision making and to avoid any direct or indirect interest, investment, association or relationship which is likely to, or appears to, interfere with the exercise of their independent judgement.
- Directors will fully disclose to the Company all of the following:
  - > all relevant relationships which they have with APL;
  - > all relevant private or other business interests;
  - > any other affiliations or Directorships; and
  - > all direct or indirect ownership rights in APL.
- The intention is that the Board of Directors can fully assess the independence and position of each Director and in particular, determine those Directors who are independent in terms of the NZX Listing Rules.

### **4. CORPORATE OPPORTUNITIES**

- The Directors, senior managers and representatives of APL will not use any property, information or position to the advantage of themselves against the Company and in particular will not use any of the aforesaid for personal gain.
- The Directors, senior managers and representatives will only trade in Company shares in accordance with the approved Trading Policy of the Company.

### **5. CONFIDENTIALITY**

- The Directors, senior managers and representatives will at all times maintain and protect the confidentiality of all information relating to APL including the following information:
  - > any matter relating to the assets or business of APL;
  - > all matters affecting the property investments of APL;
  - > all matters relating to the financial affairs of APL; and
  - > all information relating to lessees, prospective lessees, management arrangements, or other contractual commitments entered into by APL.

Any disclosure will be in accordance with the disclosure policy of APL or as otherwise required by the NZX Listing Rules or by the requirements of the Financial Markets Conduct Act 2013, Companies Act 1993 or any other legislation.

## **6. PROPER USE OF THE ASSETS AND INFORMATION OF APL**

The Directors, senior managers and representatives of APL will only create, retain or use information and communications relating to the Company for the purposes of the business of APL and for the purposes of meeting any legal obligations to the Company.

## **7. COMPLIANCE WITH LAWS AND POLICIES**

The Directors, senior managers and representatives of APL will abide by all laws, rules and regulations under New Zealand law and comply with all statutory requirements, NZX Listing Rules and other obligations on a timely basis.

## **8. REPORTING OF UNETHICAL BEHAVIOUR**

The Directors, senior managers and representatives of APL will report any illegal or unethical behaviour of which they become aware to the Board. The Chairman will determine whether any exception or waiver to the terms and provisions of this Code of Ethics should be given. Otherwise, a sub-committee of the Board will be formed for the purpose of determining what action should be taken in respect of the matter raised. Any person who knowingly makes a false report of a legal or policy breach may be subject to disciplinary action.

# ASSET PLUS LIMITED

## DISCLOSURE POLICY

---

### **1. INTRODUCTION**

APL recognises that the cornerstone of New Zealand and international securities laws is full and fair disclosure of material information and that the timely, non-exclusionary distribution of information to the public is crucial to the efficiency and integrity of the capital markets. Any selective disclosure of material, non-public information would undermine market integrity and investor confidence in the fairness of the disclosure process and could lead to liability under insider trading legislation or breach the NZX Listing Rules.

### **2. POLICY STATEMENT**

APL is committed to providing timely and credible information. The Board believes it is imperative that disclosure be evenly balanced and that the investment community has fair access to this information. The Board also values and encourages constructive dialogue with shareholders.

APL makes all Directors aware of the obligations to disclose price sensitive or insider information under the NZX Listing Rules, the Financial Markets Conduct Act 2013 and any other relevant legislation.

Accordingly, this Policy establishes and implements Company procedures in respect to the distribution of information regarding APL to the public.

### **3. GUIDANCE**

To apply this Policy, a framework of procedures and guidelines relating to the disclosure of material information about APL has been developed by the Board. The key elements of the framework are as follows:

- the Board has appointed a Company Secretary to be responsible for administering the Policy;
- all material information shall be lodged with the NZX in accordance with all relevant legal and regulatory requirements. The information will also be published on APL's internet site;
- no undisclosed share price sensitive or other material information will be disclosed in any meeting or conference call with shareholders or analysts;
- one-on-one discussions with shareholders or analysts shall serve only as opportunities to provide background to previously disclosed information;

- earnings forecasts will only be discussed if previously issued by APL by way of a public announcement;
- APL will not generally comment on analyst forecasts. However, if the Company becomes aware that, in general, the market's earnings projections materially differ from its own estimates, APL may consider it appropriate to issue a profit warning/statement;
- APL will not endorse, or be seen to endorse, analyst reports or the information they contain;
- a Company website will be maintained with a primary focus on the needs of shareholders;
- Annual and Interim Reports will be made available to shareholders in accordance with the requirements of the Companies Act 1993 and the Financial Markets Conduct Act 2013, including on the Company's website;
- the Company may adopt procedures for the electronic delivery of information to its shareholders and other stakeholders;
- the annual shareholder meetings will include comprehensive presentations on the performance of the Company and adequate opportunity for shareholders to ask questions of Directors and management; and
- shareholders may contact the Company at any time through a well promoted email address and Freephone number.

# ASSET PLUS LIMITED

## AUDIT AND RISK COMMITTEE CHARTER

---

The Audit and Risk Committee oversees the Company's compliance with the Audit and Risk Charter.

### **1. OBJECTIVES**

The primary objectives of the Charter are as follows:

- to set the principles and standards with respect to internal controls, accounting policies and the nature, scope, objectives and functions of the external audit. This objective enables the Board to satisfy itself that management is discharging its responsibilities in accordance with established processes and, wherever practical, best practice methodologies; and
- to ensure the efficient and effective management of all business risks, and the efficient and effective compliance with the Risk Management Policy.

### **2. MEETINGS**

The Board will meet at least two times per year, or more frequently if required, to specifically fulfil its obligations and discharge its duties in respect to the Audit and Risk Charter.

Representatives of the Manager and/or the external Auditor may attend at the request of the Committee.

A quorum shall consist of no less than two Committee members, one of whom shall be the Chair or a nominee of the Chair and one of whom shall be an independent director. When meeting on Audit and Risk matters the Chair shall not be the Chairman of the Board.

### **3. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities are as follows:

#### **External Audit**

- Establish guidelines for the selection and appointment of the external Auditor and the rotation of the principal external audit partner (at least once every five years).
- The appointment and removal of the external Auditor.
- Ensure through liaison with the External Auditor that the Company is discharging its responsibilities to meet relevant legislation and regulatory requirements governing.

corporate entities, including generally accepted accounting practice and reporting standards.

- Approve the annual audit plan, timetable, audit fee and non-audit fees (if applicable).
- Monitor the effectiveness, objectivity and independence of the external auditor.

### **Financial Statements**

- Review draft financial statements with management and the External Auditors, and recommend final acceptance of the NZX Preliminary Announcements and full financial statements for each financial year and half year by the Board.
- Provide advice on and review the Company's Annual Report.
- Receive, consider and ensure appropriate action is taken on the External Auditor's reports to the Company and to shareholders.
- Receive, consider and ensure appropriate action is taken on the External Auditor's reports on the status of internal controls and management systems.
- Review existing accounting policies and practices, in particular new accounting policies or amendments to existing accounting policies, to ensure appropriateness and compliance with generally accepted accounting practice and applicable financial reporting standards.
- Require the Manager to represent in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operating results and are in accordance with relevant financial standards.

### **Risk Management**

- Set and annually review the Risk Management Policy.
- Review risks as set out in Policy and identify key risks for which risk management plans will be developed and implemented.
- Review and implement the annual risk management plans to ensure risks are actively managed in a systematic and prioritised manner and assessed regularly.
- Ensure that management undertakes a regular legal and statutory compliance review.

### **Other Duties**

- Review financial issues as identified.
- Identify and direct any special projects or investigations deemed necessary.
- Review the Audit and Risk Charter annually.
- Review the Delegated Authority Policy annually.

# ASSET PLUS LIMITED

## RISK MANAGEMENT POLICY

---

### **1. POLICY STATEMENT**

The Company is committed to actively identifying risk, assessing its impact on the Company and developing and implementing an appropriate strategy to mitigate that risk. Asset Plus Limited's Risk Management Policy is designed to monitor and manage the Company's risk by incorporating risk management within day to day management and governance processes.

### **2. RESPONSIBILITY**

The Board is ultimately responsible for the Company's risk management. The Audit and Risk Committee have delegated responsibility to:

- ensure the development of regular reporting mechanisms to give assurance on compliance with the Risk Management Policy to the Board;
- monitor, review and approve management's annual compliance programme (including the insurance strategy) to ensure risks are identified and managed in a systematic and prioritised manner;
- review management's annual insurance risk programme. Consider insurance renewals and review key policy terms; and
- review the Risk Management Policy annually.

#### **External Specialists**

Outsourcing services to specialist external suppliers assists the Company in reducing the risk of making a significant error in important processes, not providing adequate separation of duties or not identifying a key risk. The Company engages independent experts to provide the following services:

- property valuations;
- legal advice;
- registry services;
- audit services;
- tax planning and advice; and
- any other specialist services as required from time to time.

### 3. REPORTING

The Company has set up reporting procedures that ensure:

- the Board is kept fully informed of all relevant matters;
- the Company meets all legal and regulatory compliance obligations;
- there is a company-wide focus on identification and appropriate mitigation of risk; and
- internal controls are followed and regularly reviewed and updated as required.

The following reporting ensures the Company complies with its Risk Management Policy:

- monthly Board Reports incorporating the Manager's report on the property portfolio, current business issues and a financial overview and the Manager's report on financial performance against budget;
- annual review of the Risk Management Policy;
- provision of Director's certificates and other reports to the Company's bankers as required under facility agreements;
- annual Audit representation letter and audit report from the external auditor; and
- compliance with the continuous disclosure provisions of the NZX Listing Rules.

### 4. RISK MANAGEMENT MATRIX

The Company has identified the following areas of potential risk and the risk management strategies used to mitigate those risks:

<b>Risk Area</b>	<b>Causes</b>	<b>Potential Outcomes</b>	<b>Risk Management Strategies</b>
<b>Financial/Operational Risk</b>	<ul style="list-style-type: none"> <li>&gt; Governance mismanagement</li> <li>&gt; Changes in economic conditions</li> <li>&gt; Loss of key tenant/s</li> <li>&gt; Lack of adequate Property/Income replacement insurance</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Exposure to avoidable financial loss, fraud or legal action</li> <li>&gt; Adverse impact on Shareholder returns and/or value</li> <li>&gt; Management decisions based on inaccurate and/or unreliable information.</li> <li>&gt; Noncompliance with appropriate accounting principles</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Strong Corporate Governance</li> <li>&gt; Appropriately resourced Property Management function</li> <li>&gt; Outsourcing of some business functions to external specialists</li> <li>&gt; Internal controls and reporting processes in place</li> <li>&gt; Appropriate insurance in place</li> </ul>
<b>Property Risk</b>	<ul style="list-style-type: none"> <li>&gt; Changes in economic and/or market conditions</li> <li>&gt; Changes to status of key tenants</li> <li>&gt; Damage or destruction of Company's properties</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Financial loss</li> <li>&gt; Adverse impact on Shareholder value and returns</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Appropriately resourced property management function including use of external experts where required</li> <li>&gt; Internal controls and reporting processes in place</li> <li>&gt; Appropriate insurance in place</li> </ul>

<b>Risk Area</b>	<b>Causes</b>	<b>Potential Outcomes</b>	<b>Risk Management Strategies</b>
<b>Tax Risk</b>	<ul style="list-style-type: none"> <li>&gt; Changes to taxation laws</li> <li>&gt; Incorrect application of taxation laws</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Adverse impact on Shareholder value and returns</li> <li>&gt; Costs associated with non-compliance with appropriate taxation laws</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Strong oversight by Audit and Risk Committee</li> <li>&gt; Internal controls in place</li> <li>&gt; Outsourcing external tax expertise</li> </ul>
<b>Liquidity Risk</b>	<ul style="list-style-type: none"> <li>&gt; Lack of internal control</li> <li>&gt; Changes in economic and/or market conditions</li> <li>&gt; Changes in status of tenants</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Impact on solvency</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Strong internal controls including cash monitoring and reporting in place</li> <li>&gt; Strong property management processes in place</li> <li>&gt; Ongoing monitoring of relevant economic conditions</li> </ul>
<b>Interest Rate Risk</b>	<ul style="list-style-type: none"> <li>&gt; Increased interest rates</li> <li>&gt; Mismanagement of interest rate swaps</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Increased cost of borrowing</li> <li>&gt; Financial loss from swaps</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Adoption of Board approved Treasury Policy</li> <li>&gt; Strong internal management of cost of funds</li> <li>&gt; Borrowing constraints i.e. bank covenants</li> <li>&gt; Company swap strategy followed as per Treasury Policy</li> </ul>
<b>Human Resources Risk</b>	<ul style="list-style-type: none"> <li>&gt; Loss of key personnel</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Loss of specialised knowledge base</li> <li>&gt; Short term loss of appropriate resource</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Succession plan in place</li> <li>&gt; Appropriately remunerated staff</li> <li>&gt; Attractive working environment provided</li> </ul>
<b>Investment Market Risk</b>	<ul style="list-style-type: none"> <li>&gt; Changes in economic and/or market conditions</li> <li>&gt; Changes to relevant regulations</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Adverse impact on Shareholder returns and value</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Strong Corporate Governance</li> <li>&gt; Outsourcing of relevant business functions to external specialists</li> <li>&gt; Internal controls and reporting processes in place</li> <li>&gt; Appropriate insurance in place</li> </ul>
<b>Legal / Compliance Risk</b>	<ul style="list-style-type: none"> <li>&gt; Lack of appropriate knowledge and/or lack of internal controls leading to legal claims</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Legal and fine costs</li> <li>&gt; Reputation damage</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Strong Corporate Governance</li> <li>&gt; Outsourcing of key business functions to external specialists</li> <li>&gt; Internal controls and reporting processes in place</li> </ul>
<b>Business Continuity Risk</b>	<ul style="list-style-type: none"> <li>&gt; Failure of key functions due to natural disaster or utilities company failure</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Disruption to continuation of key business operations</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Data Disaster Recovery Plan in place</li> <li>&gt; Business continuation plan in place</li> <li>&gt; Appropriate insurance in place</li> </ul>
<b>Health and Safety Risk</b>	<ul style="list-style-type: none"> <li>&gt; Unsafe work environment</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Legal Claims</li> <li>&gt; Non-compliance with relevant legislation</li> <li>&gt; Disruption to key personnel resource</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Provision of safe work environment</li> <li>&gt; Health and Safety Policy in place</li> </ul>

# ASSET PLUS LIMITED NOMINATION COMMITTEE CHARTER

---

The Nomination Committee oversees the Company's compliance with the Nomination Charter. The Board has considered that the Company's size prevents them from establishing a separate Nominations Committee and therefore the full Board will fulfil the obligations and be guided by the Nomination Charter as set out below. This decision will be reviewed from time to time.

## **1. OBJECTIVES**

The objectives of the Charter are to ensure the Board's current and future composition, in respect to the mix of qualifications, skills and experience, are appropriate to the Company's operations and strategic direction and contribute to the effective governance of the Company. Directors are expected to exercise an independent and informed judgment on matters which come before the Board and be free of any business or other relationship that may interfere with the exercise of that individual judgment.

## **2. SECRETARIAL AND MEETINGS**

The secretary of the Nominations Committee meetings shall be appointed by the Board. A quorum shall be two Board members, at least one of whom must be an independent non-executive Director.

All Directors are entitled to attend Nomination Charter meetings, except those Directors whose positions as Directors are under consideration in which case attendance is by invitation only. When meeting on Nomination matters the Chairman shall be the Chairman of the Board or, when the appointment of a successor as Board Chairman is under consideration, another independent non-executive Director selected by the Board.

Reasonable notice of meetings and the business to be conducted shall be given to the members of the Board.

Meetings shall be held from time to time as required having regard to the occurrence of Board vacancies, actual or anticipated. Any member of the Board may request a meeting at any time if they consider it necessary.

### **3. RESPONSIBILITIES**

The responsibilities of the Board in respect to Nomination matters are as follows:

- to identify and nominate candidates to fill Board vacancies as and when they arise;
- before making an appointment, to evaluate the balance of skills, knowledge and experience on the Board and, in the light of the evaluation, to determine the role and capabilities required for the appointment;
- to formulate succession plans for non-executive Directors taking into account the challenges and opportunities facing the Company and the skills and expertise accordingly required to manage the Company in the future;
- to regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and to make any changes; and
- to consider such other matters relating to Board nomination or succession issues as may be identified by the Board.

### **4. APPOINTMENT OF DIRECTORS**

- At all times there must be at least two independent Directors of the Company as required by the NZX Listing Rules (LR 2.1.1). At least two of the Directors must be resident in New Zealand.
- The Company's Constitution provides for the appointment of two independent Directors. The Board considers a Director to be independent if they are independent of management and free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment or could otherwise affect their ability to act in the best interests of the Company.
- The Directors are required to keep the Board advised of any interests they have that could potentially conflict with the interests of the Company.
- The Board determines the independence of each Director in terms of any matter arising at any time and on a formal basis at the time of appointment and annually thereafter. The Board will review any determination it makes as to a Director's independence on becoming aware of any information that indicates that the Director may have a material relationship that could potentially conflict with the interests of the Company.
- The Board will have regard to the factors that may impact a Director's independence set out in Recommendation 2.4 of the NZX Corporate Governance Code in considering whether a Director meets the definition of an Independent Director in the NZX Listing Rules.

## **5. ANNUAL REVIEW**

The Board will undertake an annual self-review of the Nomination Charter's objectives and responsibilities and the extent to which they have been achieved and/or discharged. Such objectives and responsibilities and their attainment will also be reviewed by the Board and any other person the Board considers appropriate.

## **6. REPORTING PROCEDURES**

The minutes of all meetings in respect to the Nomination Charter will be circulated to members of the Board and to such other persons as the Board decides.

The Chairman will present an annual report to the Board summarising activities undertaken during the year in respect to the Nomination Charter and any related significant results and findings.

# ASSET PLUS LIMITED REMUNERATION COMMITTEE CHARTER

---

The Remuneration Committee oversees the Company's compliance with the Remuneration Charter. The Board has considered that size prevents them from establishing a separate Remuneration Committee and therefore the full Board will fulfil the obligations and be guided by the Remuneration Charter as set out below. This decision will be reviewed from time to time.

## **1. OBJECTIVES**

The objective of the Charter is to establish remuneration policies and practices relative to remuneration setting and review of the Company's Directors (both non-executive and executive). The Committee makes recommendations in respect to salary and incentive programmes and more generally on issues, plans and policies relating to people management.

## **2. SECRETARIAL AND MEETINGS**

The secretary of the Remuneration Charter meetings shall be appointed by the Board. A quorum shall be two Board members, at least one of whom must be a non-executive Director.

The Charter meeting may have in attendance such members of management including such other persons including external advisers, as it considers necessary to provide appropriate information and advice.

All Directors shall be entitled to attend meetings provided that executive shall not be entitled to attend meetings where they are conflicted for personal reasons.

Reasonable notice of meetings and the business to be conducted shall be given to the members of the Board and, where necessary, applicable members of management.

Any member of the Board may request a meeting at any time if they consider it necessary. Minutes of all meetings shall be kept.

### **3. RESPONSIBILITIES**

The Board is responsible for setting and reviewing the remuneration policies and practices of the Company, including:

- making recommendations to the Board on setting and reviewing all components of the remuneration of the non-executive Directors. Such components shall include base fees, any supplemental fees for undertaking additional duties, reimbursable expenses, entitlements on retirement from or termination of Board membership, and all other benefits and entitlements arising from their Directorships; and
- considering such other matters relating to remuneration issues as may be applicable.

The Board, at the expense of the Company, may obtain such outside information and advice including market surveys and reports, and consult with such management and executive search consultants and other outside advisers with relevant experience and expertise, as it thinks necessary for carrying out its responsibilities.

### **4. ANNUAL REVIEW**

The Board will undertake an annual self-review of its objectives and responsibilities and the extent to which they have been achieved and/or discharged, inviting comments from all members of the Board. Such objectives and responsibilities and their attainment will also be reviewed by any other person the Board considers appropriate. It shall make any suggested changes in the duties and responsibilities in terms of this Charter.

## **5. REPORTING PROCEDURES**

After each Remuneration meeting the minutes of these meetings will be circulated to members of the Board.