

# KINGFISH LIMITED

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## BOARD CHARTER



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## PURPOSE

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This Board Charter (“Charter”) focuses on the values, principles and practices that underpin the function of the Board of Directors (“Board”) of Kingfish Limited (“Kingfish” or the “Company”) and identifies the principles of corporate governance that assist directors in performing their duties.

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

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## ROLE OF THE BOARD

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The Board is responsible for the governance and control of the activities of the Company. Corporate governance structures and practices must encourage the creation of value for Kingfish shareholders while ensuring the highest standards of ethical conduct and providing control systems appropriate with the risks involved.

The Board operates in accordance with all applicable laws and regulations, the constitution of Kingfish (“Constitution”) and the requirements of NZX Main Board Listing Rules. A copy of the Company’s Constitution can be found on the Kingfish website.

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## FUNCTIONS AND RESPONSIBILITIES OF THE BOARD

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The Board’s responsibilities include:

- safeguarding the Company’s assets through the appointment and monitoring of an independent custodian,
- monitoring the Manager, Fisher Funds Management Ltd, to ensure the Manager meets all obligations of the Management Agreement,
- determining appropriate capital management strategies to enhance long-term shareholder returns including setting the Distribution Policy, Share Buyback Policy and any capital raising programmes,
- monitoring compliance with the Company’s continuous disclosure and other NZX Main Board Listing Rule obligations,
- approving and regularly reviewing the Company’s key policies and procedures, including, but not limited to, the Code of Ethics and Standards of Professional Conduct, the Risk Management Policy, the Securities Trading Policy, this Charter and any Board committee charters,
- reviewing and approving the Company’s budgets and financial forecasts as well as monitoring the financial performance and financial position of the Company,
- monitoring the integrity of the financial reporting process to ensure the timely and accurate reporting of financial results, consistent with all legal and regulatory requirements.

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## BOARD COMPOSITION

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### **Composition and Independence**

The Board is structured in such a way, that as a collective group, it has the skill, knowledge, experience, and diversity to meet and discharge its responsibilities.

The number of directors on the Board at any one time is determined in accordance with the Constitution.

The Board will comprise of a majority of independent directors, with a minimum of three directors and a maximum of seven directors, at least two of which will be ordinarily resident in New Zealand. Board membership details are disclosed on the Kingfish website.

The Board's criteria for determining independence will be the requirements of NZX Main Board Listing Rules.

The Board will assess the independence of directors on their appointment, with continued review of independence undertaken regularly, and at least annually. Directors acknowledge that a change in the status of a director's independence must be disclosed immediately.

### **Director Appointment and Rotation**

The Remuneration and Nominations Committee assists the Board in ensuring there is a formal, rigorous and transparent procedure for the appointment of new directors to the Board.

The Board may appoint directors to fill casual vacancies. Directors appointed will be required by the Company's Constitution to be elected by the shareholders at the first annual meeting after their appointment.

At least one third of all directors (or, if their number is not a multiple of three, then the number nearest to one third) will retire at the annual meeting each year, but will be eligible for re-election at that meeting.

In each year, the directors who retire are those who have been longest in office since their last election. Directors may be appointed for further terms subject to their re-election being approved by shareholders.

### **Appointment of Chair**

The appointment of the Chair will be confirmed annually.

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## CORPORATE MANAGER

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The Corporate Manager 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 board papers, supporting the provision of advice on any legal matters, assisting the Board with any shareholder communication and maintaining all official Board and Company records and statutory registers.

The Corporate Manager is accountable to the Board, through the Chair, on all governance matters. The appointment and removal of the Corporate Manager should be a matter of consultation with the Board as a whole.

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## BOARD COMMITTEES

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The Board has established Committees to assist it in carrying out its responsibilities and adopted Committee charters that set out the delegated function, responsibility and purpose of each Committee.

Committee chairs and members are appointed by the Board.

The Board is responsible for the oversight of all Committees. Committees may make recommendations to the full Board, but do not make decisions on behalf of the Board unless specifically mandated to do so.

The Board will annually review and evaluate the performance of each Committee to ensure it is operating in accordance with its charter and all relevant Board delegations.

Each Committee's charter will be reviewed at least annually or as otherwise considered appropriate.

The Board has established three permanent Committees:

- *Audit and Risk Committee* - provides assistance to the Board in fulfilling its responsibilities in relation to the Company's financial reporting, internal controls structure, risk management systems and the external audit function.
- *Remuneration and Nominations Committee* – provides assistance to the Board with the appointment of new directors to the Board, setting and reviewing the level of directors' remuneration and evaluating the balance of skills, knowledge and experience on the Board.
- *Investment Committee* - monitoring the management and performance of the Kingfish portfolio to ensure it is managed within risk and liquidity parameters that are acceptable to the Committee.

A copy of each Committee's charter is on the Kingfish website.

From time to time the Board may establish other standing or temporary committees to consider or monitor specific projects or issues.

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## BOARD MEETINGS AND PROCEEDINGS

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Board meetings and proceedings are primarily governed by legislation and by the Constitution.

The Board shall meet as often as it deems appropriate and typically this is at least six times per year. Additional meetings may be scheduled at the discretion of directors, as deemed necessary to discharge their obligations.

The Constitution requires that a quorum is three directors or a majority of the directors, whichever is the greater.

To enable appropriate review by directors, Board papers are sent to directors approximately one week 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).

Proceedings of all Board meetings are minuted and signed by the Chair, subject to prior circulation to directors and approval by the Board. All discussions at Board meetings and the meeting minutes

remain confidential unless there is a specific direction from the Board or disclosure is required by law.

The Corporate Manager, in conjunction with the Chair where required, establishes the agenda for each Board meeting. Each meeting there are regular standing items and directors are free to introduce additional agenda items for discussion outside the formal agenda.

Directors (with the prior consent of the Chair) may invite members of management and/or advisors to attend Board meetings as deemed appropriate to discuss or obtain further information on any matter.

When exercising judgement, the Board is entitled to rely on the honesty, integrity and advice of the Corporate Manager and the Company's 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 Chair) engage and consult with professional advisors from time to time, with any costs being met by the Company.

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## BOARD EVALUATION

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Directors conduct an annual performance review and evaluation of the Board as a whole, with directors' views sought on issues relating to Board process, efficiency and effectiveness, for discussion by the full Board.

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## CONFLICTS OF INTEREST

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### **Disclosure of Interests**

Each director is required to disclose all actual or potential conflicts of interest in accordance with the Company's Conflict of Interest Policy which can be found on the Company's website. Where it is determined that a conflict of interest exists, the relevant director will refrain from participating in any discussion in relation to the transaction and must abstain from voting on any issues relating to the transaction in which they are interested.

All disclosures of interest (including the nature and extent of any interest) are recorded in the Interests Register of the Company, by the Corporate Manager.

It is expected that 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.

### **Trading in Kingfish Shares or Warrants**

Directors may only trade in Kingfish shares or warrants (if any) in limited circumstances and where each request to trade is approved by two other directors of the Board. The rules for trading are detailed in the Securities Trading Policy on the Kingfish website.

The Securities Trading Policy also places restrictions on the ability of directors to trade in the securities of Kingfish portfolio companies.

Shares in the Company may be purchased on behalf of directors in accordance with the Share Purchase Plan (a copy of which is on the Kingfish website) or purchases of Kingfish shares in lieu of

directors' fees. Directors may also participate in the Dividend Reinvestment Plan and are entitled to exercise any warrants if they wish.

All Kingfish share or warrant trades by directors are reported to the Board and are announced to the market.

### **Gifts and Personal Gains**

Directors will not use for personal gain, opportunities that are discovered through the use of Company property or Company information disclosed to directors by virtue of their position as a Director.

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 the Company and under no circumstances will they accept cash gifts.

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

### **Insurance**

The Company has Director and Officer Liability insurance. The costs of this insurance are met by the Company.

The existence of the insurance is disclosed in the Company's Interest Register.

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## **REVIEW OF CHARTER**

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This Charter will be reviewed annually.