



## Board of Directors' Charter

### Introduction

The Board of Directors ("Board") of Trustpower Limited (the "Company") is accountable to shareholders for the performance of the Company.

### Role of the Board

The Board's responsibilities include the following:

- assisting the Company serve the interests and expectations of customers, employees, investors, partners and external stakeholders ethically, honestly, fairly, diligently and in accordance with applicable laws;
- creating a culture of inclusion, excellence and performance, particularly in respect of people, financial performance and health and safety;
- setting strategy through the approval of the strategic plan of the Company and monitoring management's implementation of that plan;
- approval of the annual budget;
- selection and appointment (and, if appropriate, removal) of the Chief Executive Officer, determining his/her conditions of service and monitoring his/her performance against established objectives;
- approval, implementation and monitoring of financial, audit and risk policies (that are more extensively described in the Audit and Risk Committee Charter);
- approval, implementation and monitoring of health and safety policies;
- setting specific and general delegations for the Chief Executive Officer (which may be further sub-delegated); and
- monitoring of compliance with regulatory and legal requirements.

The Board delegates, to the Chief Executive Officer, responsibility for recommending and implementing the strategic direction and for managing the day-to-day operations of Trustpower. The Chief Executive Officer consults with the Chairperson, in the first instance, on matters that are sensitive, extraordinary or of a strategic nature.

### Role of Management

Trustpower's Board is supported by its executive team.

Management's responsibilities include:

- recommending and implementing the strategic direction
- making operational decisions;
- implementing operational policies;
- keeping the Board of Directors well educated and informed; and
- bringing well-documented recommendations and information to the Board.

## Directors' Behaviour

In fulfilling their role, directors must:

- act ethically, honestly, fairly, diligently and in accordance with applicable laws;
- be objective in assessing management's performance, while working with management as a team;
- be prepared to engage in vigorous debate between one another and with Management;
- commit the necessary time to be well briefed and able to fully participate in Board discussions;
- ensure the focus is on Company priorities rather than simply compliance matters;
- ensure actual or potential conflicts of interest for directors and management are recognised and appropriately managed;
- be cognisant of the material issues concerning the Company; and
- ensure decisions taken are for the benefit of the Company as a whole.

## Role of the Chairperson

The Chairperson presides over Board and General Meetings of the Company. He/she has the task of making sure the Board is well informed and effective; that the members, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and the Company.

The Chairperson is responsible for ensuring that the meetings are conducted competently and ethically and shall provide effective leadership in formulating the strategic direction for Trustpower.

He/she must ensure that General meetings are conducted efficiently and that shareholders have adequate opportunity to express their views and obtain answers to their questions.

The Chairperson shall also:

- ensure that new Board members are well briefed and have access to information on all relevant aspects of the Company's operations;
- be the Board's representative in dealings with management ensuring that its views are communicated clearly and accurately;
- act as the primary contact to the Chief Executive Officer;
- manage the regular process of agreeing performance parameters with the Chief Executive Officer and assessing performance against them;
- to the extent required, performance manage the Chief Executive Officer; and
- represent the views of the Board to the public, government, investors and other stakeholders on appropriate occasions.

## Board Committees

To assist it in carrying out its responsibilities, the Board shall establish:

- an Audit and Risk Committee;
- a Governance and Nominations Committee;
- a People and Remuneration Committee;
- from time to time when required an ad hoc Conflict Committees; and

- from time to time when required ad hoc special purpose committees (e.g. a due diligence committee).

Each Committee should have a written charter that outlines the Committee's authority, duties, responsibilities and relationship with the Board, which shall be established by the Board and, unless otherwise determined by the Board, published.

The Board should annually review the committees' performance objectives and responsibilities in accordance with their respective written charters.

### **Meetings and Procedure**

- The Board shall meet as frequently as required to undertake its role effectively, but at least eight per year.
- Notice of meetings and the business to be conducted at such meetings shall be given to all Directors. Minutes will be maintained for every Board meeting.
- The minutes of all Board meetings shall be circulated to all Directors.
- The Chief Executive Officer and his/her direct reports shall, in the usual course of business, attend Board meetings. Other representatives of management, as considered appropriate, may also attend Board meetings. Directors may also from time to time meet in private session (with only the Board members present).
- The Board and directors will be provided with any information or assistance it requires from any officer of the Company. The Board or any director may obtain, at the Company's expense, any independent professional advice it or they consider necessary to carry out its or their responsibilities. The usual practice shall be that any director who wishes to obtain independent advice shall first consult with the Chairperson.

### **Review of the Charter**

The Board will review this charter annually or as often as it considers necessary.

### **Board Composition**

- The full Board determines the Board size and composition, subject to compliance with the Company's Constitution, the Companies Act and the NZX Listing Rules.
- The Chairperson is appointed by the Board. The Chairperson should not also be the Chief Executive Officer.