

# Boards' Charter

## 1. Background and Purpose of the Charter

- 1.1 This Boards' Charter (Charter) sets out the role, composition and responsibilities of the Board of Directors of each of Stride Property Limited (SPL) and Stride Investment Management Limited (SIML, with SIML and SPL each being a Stapled Entity and together, Stride) and is also applicable to the boards of its wholly owned entities (each a Board). The Charter focuses on the practices and functions that underpin the operation of the Boards and the principles of corporate governance that assist Directors in performing their duties.
- 1.2 Each Board has ultimate responsibility for the strategic direction of the relevant Stapled Entity and for overseeing the operations of Stride, ensuring it is being managed appropriately and consistently with the delegations set by each Board.
- 1.3 This Charter does not attempt to provide a complete record of all formal and informal rules relevant to the Boards. The Boards are committed to operating in accordance with all applicable laws and regulations, the constitution of each Stapled Entity (each, a Constitution) and the requirements of the NZX Main Board Listing Rules.

## 2. Corporate Governance Framework

- 2.1 Each Board:
- a) is committed to maintaining the highest standards of governance, operational quality and accountability in order to promote investor confidence; and
  - b) believes that high standards of corporate governance are essential for sustainable long-term performance and creating shareholder value.
- 2.2 Each Board endorses the NZX Corporate Governance Code and takes into consideration contemporary corporate governance standards in New Zealand.
- 2.3 The Boards have adopted a Code of Ethics for Stride which is a formal statement acknowledging the commitment of the Boards, SIML management and employees to maintaining the highest standards of honesty, integrity, and ethical conduct in day-to-day practices and decision making within Stride. The Code of Ethics and Boards' Charter should be read together.

## 3. The Boards' and Directors' Responsibilities

- 3.1 The Board of SPL has appointed SIML as its manager. The Board of SIML has delegated authority to the Chief Executive Officer of SIML for the operations and administration of Stride, in accordance with the Delegations of Authority Policy and other delegations implemented by

the Board from time to time.

- 3.2 Each Board's responsibilities include the following:
- a) setting the strategic direction and appropriate operating frameworks that give effect to the strategy of the relevant Stapled Entity;
  - b) monitoring management's performance within those frameworks and ensuring SIML and SPL are being managed appropriately;
  - c) approving and regularly reviewing Stride's internal decision-making structure and any strategic policies, procedures and Board and committee charters;
  - d) approving the operating frameworks and systems implemented to facilitate Stride and its operations being conducted in a safe, ethical and responsible manner;
  - e) approving Stride's annual financial budget and reviewing performance against that budget;
  - f) approving and monitoring financial reporting and capital management;
  - g) monitoring the financial solvency of the relevant Stapled Entity;
  - h) setting and monitoring the relevant Stapled Entity's dividend policy;
  - i) implementing effective audit, risk management and compliance systems, to protect Stride's business operations and minimise the risk of SPL and SIML operating beyond their respective legal requirements or outside their respective acceptable risk parameters;
  - j) planning, delivering, monitoring and reviewing effective health and safety practices within the relevant Stapled Entity, in accordance with the Health and Safety Charter;
  - k) ensuring there are adequate resources available to meet the relevant Stapled Entity's objectives;
  - l) reporting to stakeholders and ensuring timely and balanced communication is provided to stakeholders, aimed at clearly communicating the goals, strategies and performance of Stride, while having regard at all times to the Market Disclosure Policy;
  - m) ensuring the Stapled Entity has appropriate corporate governance structures in place;
  - n) evaluating the Boards' performance, along with that of the committees and individual Directors, including the Chair;
  - o) safe-guarding the reputation of Stride and its operations; and

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- p) giving proper attention to all matters before the relevant Board, and acting in good faith and in the best interests of the corresponding Stapled Entity.

## Responsibility of Individual Directors

3.3 Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors. Broadly these include:

- a) in the case of SPL Directors or SIML Directors, acting in good faith and in the best interests of SPL as a whole or SIML as a whole, respectively;
- b) acting with care and diligence and for proper purpose, keeping Board information, discussions, deliberations and decisions confidential;
- c) participating in Board meetings in a manner that promotes constructive and respectful engagement amongst Directors and management;
- d) avoiding conflicts of interest wherever possible and avoid making improper use of information gained through the position of Director and from taking improper advantage of the position of Director;
- e) exercising Directors' duties within the parameters of the law, the NZX Listing Rules and best practice; and
- f) undertaking appropriate training to remain current on how best to perform Directors' duties on behalf of SPL and SIML.

## 4. The Board and Management

- 4.1 Responsibility for the day-to-day management, implementation of the strategic objectives and administration of Stride is delegated by the Board of SIML to the Chief Executive Officer of SIML, assisted by the executive team of SIML (**Management**), in accordance with the Delegations of Authority Policy and other delegations implemented by the Board from time to time.
- 4.2 The Chief Executive Officer manages Stride in accordance with the strategy, plans and delegations approved by the Board of SIML. SIML, as manager, manages SPL in accordance with the management agreement between SIML and SPL and the strategy, plans and delegations of authority approved by the Board of SPL.
- 4.3 The Board of SIML has implemented appropriate procedures to assess Management's performance.
- 4.4 Management should provide information of sufficient content, quality and timeliness to the Boards to enable them to effectively discharge their duties.

## 5. Director Membership, Independence and Rotation

- 5.1 The Constitution of SIML provides for a minimum of three Directors and a maximum of eight Directors. At least two Directors must be persons who are normally resident in New Zealand. Directors of each of SPL and SIML must be the same, with Directors who are appointed to or removed from the Board of SIML being deemed to be appointed to or removed from (as applicable) the Board of SPL, in accordance with SPL's constitution.
- 5.2 The Board should comprise:
  - a) Directors with an appropriate range of skills and experience;
  - b) Directors who have a proper understanding of and skill set to deal with, current and emerging issues of the business; and
  - c) Directors who can effectively review and challenge the performance of Management and exercise independent judgement.
- 5.3 The Board will consist of a majority of non-executive Directors. At least two of the Directors must be Independent Directors (as defined in the NZX Main Board Listing Rules), and at least two Directors must be ordinarily resident in New Zealand. To be independent, Directors must not have any direct or indirect interest, position, association or relationship that could reasonably influence, or could reasonably be perceived to influence, in a material way, the Director's capacity to bring an independent view to decisions in relation to Stride, act in the best interests of Stride, and represent the interests of Stride's security holders generally, having regard to the factors described in the NZX Corporate Governance Code.
- 5.4 The factors described in the NZX Corporate Governance Code as being relevant to an assessment of independence include:
  - a) not being currently or in the last three years employed in an executive capacity by a Stapled Entity or its subsidiaries;
  - b) not currently, or within the last three years, holding a senior role in provider of material professional services to a Stapled Entity or any subsidiary;
  - c) not having, or within the last three years having had, a material business relationship (e.g. as a customer or supplier) with a Stapled Entity or any subsidiary;
  - d) not being a substantial product holder of a Stapled Entity or a senior manager of or person otherwise associated with a substantial product holder of a Stapled Entity;

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- e) not currently, or within the last three year, having a material contractual relationship with a Stapled Entity or any subsidiary, other than as a director; and
- f) not having been a director of a Stapled Entity for a length of time that may compromise independence.

5.5 All Directors appointed by way of a casual vacancy are required to be elected by the shareholders at the first annual meeting after their appointment. Directors must not hold office past the third annual meeting following the Director's appointment, or three years, whichever is longer. There is no maximum number of terms for which a person can remain a Director.

## 6. Board Committees

6.1 The Boards may jointly or separately establish committees to assist in carrying out responsibilities. Such committees will adopt charters that set out the delegated function, responsibility and purpose of each committee.

6.2 Committee chairs and members are appointed by the relevant Board or by the Boards jointly, with the Board(s) to annually review and evaluate the performance of each committee to ensure it is operating in accordance with its Charter and all relevant Board delegations.

6.3 The Boards have established a permanent Stride Audit and Risk Committee. The Audit and Risk Committee will assist the Boards in providing oversight of all matters relating to risk management, financial management and controls, financial accounting, audit and external risk reporting requirements of Stride and any subsidiary company.

6.4 A copy of the Audit and Risk Committee Charter (and the charter of any other committee established by the Board(s)) is on Stride's website along with the membership of this committee.

## 7. Appointment and Role of the Chair

7.1 The Chair of each Board is appointed by the Directors and must be an independent non-executive Director and will not be the same person as the Chief Executive.

7.2 The role and responsibilities of the Chair of each Board include:

- a) providing leadership to the Board and to the relevant Stapled Entity;
- b) promoting integrity and effectiveness in Board decision making, which includes fostering efficient and ethical practices at Board meetings and promoting a constructive governance culture;
- c) facilitating Board discussion and Director contribution, and providing all Directors with the opportunity to discuss

contrasting views and explore ideas, as necessary for the effective operation of the Board;

d) promoting consultative and respectful relations between Board members and between the Board and Management;

e) maintaining regular engagement with the Chief Executive on operational issues and where necessary escalating matters to all Directors for consideration and resolution; and

f) representing Stride with shareholders and stakeholders.

## 8. Disclosures of Interest and Conflicts of Interest

8.1 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. As part of this responsibility, Directors are required to:

- a) disclose to the Board any actual or potential conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue;
- b) take any necessary and reasonable measures to try to resolve the conflict;
- c) comply with the provisions of the Companies Act 1993 and the NZX Listing Rules on disclosing interests and restrictions on voting; and
- d) comply with the Conflicts Policy adopted by the SIML Board from time to time.

8.2 If a conflict or potential conflict situation exists, it is typically expected that the conflicted Director will remove themselves from the relevant part of the meeting while the Board discusses and votes on the matter, unless the balance of Directors who do not have a material personal interest in the matter agree and are satisfied that the interest should not disqualify that Director from being present or voting.

8.3 Directors are expected to advise the Chair and/or Company Secretary of any proposed board or executive appointment to other companies as soon as practicable.

## 9. Board Meetings and Procedures

9.1 Board meetings and procedures are primarily governed by legislation and by the Constitution of each Stapled Entity. Outside such requirements, Board meetings and proceedings operate as follows:

- a) **Board Meetings** - the Board of SIML meets a minimum of 8 times per year and the Board of SPL a minimum of 5 times per year (unless determined otherwise by the Chair), with additional meetings and conference calls scheduled

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as deemed necessary throughout the year for Directors to undertake their duties;

- b) **Quorum** - the Constitution of the Stapled Entities specify a quorum for Board meetings, being three Directors present and entitled to vote, unless determined otherwise by the Board;
- c) **Minutes** - proceedings of all Board and Committee meetings are minuted and signed by the Chair of the relevant meeting, subject to prior circulation to Directors and approval by the Board or relevant Committee. 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;
- d) **Electronic Communication** - 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 in the same place; and
- e) **Written Resolutions** - Directors may pass or approve resolutions of a Board by written resolution by adopting the procedures set out in clause 25.10 of each Stapled Entity's Constitution.

## 10. Access to Information and Independent Advice

- 10.1 Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgement in decision making. Independent professional advice includes legal advice and the advice of accountants and other professional financial advisors on legal, accounting and other regulatory matters, but excludes advice concerning the personal interests of the Director concerned (such as service contracts with Stride or dealing in Stride's securities or disputes with a Stapled Entity). Any advice obtained under this procedure will be made available to the other members of the Board.
- 10.2 Directors will be entitled to:
  - a) in the case of SIML, have access to members of Management via the Chief Executive Officer at any time to request relevant and additional information or seek explanations;
  - b) in the case of SPL, have access to members of Management to the extent applicable under the Management Agreement between SPL and SIML;
  - c) have access to internal and external auditors, without Management present to seek explanations or additional information; and

- d) seek independent professional advice with the Chair's consent, which will not be unreasonably withheld or delayed, and which will be at the relevant Stapled Entity's expense.

## 11. Professional Development and Induction for New Directors

- 11.1 Directors are expected to undertake appropriate training to remain current on how best to perform their duties as Directors of SPL and SIML. Directors visit Stride sites and operations, attend stakeholder engagement events and attend briefings with senior managers and industry experts.
- 11.2 Each new Director will be appointed pursuant to a formal letter of appointment setting out the key terms and conditions of the appointment to ensure that Directors clearly understand the expectations of each member of Stride and each Board.
- 11.3 New Directors are provided with an induction pack containing a Directors' guide, governance information, key policies and all relevant information necessary to prepare new Directors for their role, as well as access to senior managers of SIML as appropriate to understand the nature of Stride's business.

## 12. Director Indemnity and Insurance

- 12.1 All Directors have the benefit of an indemnity as provided for in each Stapled Entity's Constitution and as permitted by the Companies Act 1993. SIML and SPL jointly take out Director and Officer Liability insurance, at the cost Stride. The existence of the indemnities and insurance is disclosed in the Interests Register of each Stapled Entity.

## 13. Remuneration, Corporate Opportunity, Gifts or Benefits

- 13.1 All Directors are remunerated in the form of Directors' fees that are subject to shareholder approval, and collectively paid through a contribution from both SIML and SPL. Additional fees are paid to the Chair of the Board and the Chair of the Audit and Risk Committee, to reflect the additional responsibilities of these roles. Additional fees may be allocated from the approved shareholder allowance for additional work and attendance undertaken by Directors.
- 13.2 Directors will not use for personal gain, opportunities that are discovered through the use of Stapled Entity property or information disclosed to Directors by virtue of their position as a Director of either Stapled Entity.
- 13.3 All Directors' expenses are approved by the Chair and the Chair's expenses are approved by the Chair of the Audit and Risk Committee.

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13.4 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 a Stapled Entity and under no circumstances will any Director accept cash gifts. Directors will not offer gratuities or other personal rewards designed to influence business transactions.

## **14. Trading in Shares**

14.1 Directors may hold SPL and SIML shares, subject to limitations on their ability to deal in such shares by the Stride Securities Trading Policy, and New Zealand law.

14.2 These limitations include the requirement that Directors may not deal in SPL and SIML shares while in possession of 'inside information' (that is, material information that is not generally known to the market) and, provided Directors have no inside information, they may only trade during specific periods of time during the year.

## **15. Accountability and Evaluation of Board Performance**

15.1 Directors conduct an annual evaluation of the Boards, with Directors' views sought on issues relating to Board process, efficiency and effectiveness, for discussion by the Boards.

## **16. Other Matters**

16.1 A number of operational matters relating to the Boards such as meetings of Directors are governed by the Constitution of each Stapled Entity and are not reproduced in this Charter. To the extent that there is any inconsistency between this Charter and the Constitution, the Constitution will prevail.

16.2 Each Board will review this Charter annually to ensure it remains consistent with the Boards' objectives and responsibilities. Any changes to the Charter will be approved by each Board. The Charter was last approved by both Boards in March 2021.