

BOARD CHARTER TOURISM HOLDINGS LIMITED

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TOURISM HOLDINGS LIMITED (“COMPANY”) - BOARD CHARTER

1. Governance at the Company

- 1.1 Corporate governance at the Company encompasses decision-making structures and the mechanisms used to manage the organisation.
- 1.2 The Board has responsibility for the affairs and activities of the Company, which is achieved through delegation to the Chief Executive Officer (**CEO**), Chief Financial Officer (**CFO**) and others (including directors appointed to subsidiary company Boards) who are charged with the day-to-day leadership and management of the Company.
- 1.3 The CEO also has responsibility to manage and oversee the interfaces between the Company and the public and to act as the principal representative of the Company.
- 1.4 The Board has adopted the governance principles as set out below as the basis of its corporate governance charter. These principles reflect the Corporate Governance Guidelines of the Australian Stock Exchange (**ASX**) and the Corporate Governance Best Practice Code issued by NZX Limited (**NZX**). The Board will continue to monitor developments in international corporate governance best practice and update the Charter for such developments.
- 1.5 The Board, through formal corporate policies and procedures and the governance framework:
 - Establishes a clear framework for oversight and management of the Company’s operations and for defining the respective roles and responsibilities of the Board and management;
 - Structures itself to be effective in discharging its responsibilities and duties;
 - Sets standards of behaviour expected of company personnel;
 - Safeguards the integrity of the Company’s financial reporting;
 - Ensures timely and balanced disclosure;
 - Respects and facilitates the rights of shareholders;
 - Recognises and manages risk;
 - Encourages Board and management effectiveness;
 - Remunerates fairly and responsibly; and
 - Recognises its obligations to all stakeholders.
- 1.6 This Charter is the principal basis of the governance framework within which the Company conducts its affairs. The other supporting charters and policy documents which together comprise the Company’s governance framework are:
 - Company’s Constitution
 - Terms of Appointment for Directors (Schedule 1) and Independence Guidelines (Schedule 2)
 - Code of Ethics (Appendix 1)
 - Audit and Risk Committee Charter (Appendix 2)
 - Remuneration and Nomination Committee Charter (Appendix 3)
 - Market Disclosure Policy (Appendix 4)
 - Delegated Authorities Policy
 - Securities Trading Policy and Guidelines
 - Other Policies and Procedures
 - Risk Management Framework
- 1.7 The Company Secretary is accountable to the Board and committees for governance matters including the matters as set out in this Charter and its attached Schedules.

2. Role of the Board

- 2.1 The Board is responsible for the supervision of management and is ultimately accountable to shareholders of the Company.
- 2.2 The Board establishes Company objectives, major strategies for achieving those objectives, the policy framework within which the Company conducts its business, and monitors management's performance with respect to these matters.
- 2.3 The Board is also responsible for ensuring that the Company's assets are maintained under effective stewardship, that decision-making authorities within the organisation are clearly defined and are not concentrated with one individual, that the substance and intent of all applicable company law is complied with, and that the Company is managed for the benefit of its shareholders.
- 2.4 Specific responsibilities of the Board also include the following:
- Oversight of the Company, including its control and accountability procedures and systems;
 - Appointment, performance, and removal of the CEO;
 - Confirmation of the appointment and removal of the senior executive group (being the direct reports to the CEO);
 - Setting the remuneration of the CEO and CFO and approval of the remuneration of the senior executive group;
 - Approval of the corporate strategy and objectives and oversight of the adequacy of the Company's resources required to achieve the strategic objectives;
 - Approval of and monitoring of actual results against the annual business plan and budget (including the capital expenditure plan);
 - Review and ratification of the Company's risk management framework, internal compliance and control, codes of conduct, and legal compliance;
 - Approval and monitoring of the progress of capital expenditures, capital management initiatives, and acquisitions and divestments; and
 - Approval of the annual and half-year financial statements.
- 2.5 The Board has appointed two committees, being:
- The Audit and Risk Committee; and
 - The Remuneration and Nomination Committee.
- 2.6 Each committee is authorised to deal with matters as set out in its charter and/or falling within its intended mandate, on the following basis:
- Make decisions (or submit recommendations for consideration by the Board) on matters for which decision-making authority has been delegated by the Board; and
 - Submit recommendations to the Board on matters for which the Board has not delegated decision-making authority.
- 2.7 The Board shall review the performance of the Audit and Risk Committee and the Remuneration and Nomination Committee in accordance with this Charter on an annual basis.
- 2.8 The Board maintains a formal set of delegated authorities (including a Delegated Authority Policy) clearly defining responsibilities delegated to management and those retained by the Board. The delegated authorities policy is approved by the Board and is subject to annual review by the Board.
- 2.9 The Board appoints new directors under formal terms of appointment. Directors must comply with the terms of appointment at all times. The Company's Terms of Appointment for Directors is attached as Schedule 1 to this Charter.

3. Structure of the Board

- 3.1 The Board will ensure it is of an effective composition, size and commitment to adequately discharge its responsibilities and duties and to add value to the Company's decision-making.
- 3.2 In order to meet these requirements, the Board membership will comprise a range of skills and experience so that it can have a proper understanding of and competence to deal with the current and emerging issues of the business, can effectively review and challenge the performance of management, and can exercise independent judgement.
- 3.3 Directors are expected to attend scheduled Board and committee meetings and to be available for non-scheduled meetings as may be required from time to time.
- 3.4 Directors are formally appointed under the Company's Terms of Appointment for Directors and this Charter.
- 3.5 Directors are subject to re-election every three years or are subject to re-election on a more frequent basis in order for the Company to comply with the NZX Listing Rules (**Listing Rules**).
- 3.6 Subject to shareholders' exercise of their rights to elect the directors of the Company, the Board will ensure a majority of its number are independent of management, substantial shareholders, or other parties with whom the Company has a business or other relationship that could reasonably be perceived to interfere with the exercise of unfettered and independent judgement. In addition, the Board will ensure it comprises not less than the minimum number of independent directors required by the Listing Rules. Independence includes, but is not limited to the following criteria:
- the director is not an employee of the Company;
 - the immediate family of the director are not employees of the Company in an executive capacity; and
 - the director is not a substantial shareholder (more than 5%) of the Company or any other organisation that was involved in a significant transaction with the Company in the past 12 months.
- 3.7 The directors whom the Board considers are independent or not independent (and where appropriate the reasons for so determining) will be identified as such in the Company's annual report. The Board will advise the market from time to time, as appropriate and as required by the Listing Rules, as to the independence status of its directors and if in its opinion, a director has ceased to be independent.
- 3.8 The Board determines the independence of each director in terms of any matter arising at any time but on a formal basis at the time of appointment and not less than once per annum thereafter. In determining independence, the directors have adopted the NZX definition of "independent director" as set out in the Listing Rules. The definition of "independent director" as given in the Listing Rules is set out at Schedule 2 to this charter.
- 3.8 The chairman of the Board (**Chairman**) must be an independent director, must not be the CEO, and must have the time necessary to discharge the role effectively.
- 3.9 The Board will meet on a formal, scheduled basis and will meet on other occasions as may be required.
- 3.10 The non-executive directors will meet from time to time independently of the senior executives of the Company.
- 3.11 The CFO is the company secretary for Board purposes.

4. Matters Relating to Directors

- 4.1 Directors will advise the chairman of the Remuneration and Nomination Committee of all outside directorships or other appointments, which may have a bearing on their role as a Company director prior to taking up, and during any such appointment.
- 4.2 Directors will ensure all relationships and appointments impacting or that can be viewed as impacting their independence (whether generally or for a specific matter) are disclosed to the Remuneration and Nomination Committee on a timely basis and will provide any further information required to enable the Remuneration and Nomination Committee to make an informed assessment of their independence on a continuous basis.
- 4.3 The Company will sign a deed of indemnity (including access to records) in favour of each director and will provide professional indemnity insurance cover for directors acting in good faith in the conduct of the Company's affairs.
- 4.4 The disclosure of existing interests is an ongoing responsibility of each director. Where conflicts of interest may arise (or where potential conflicts of interest may arise), the directors must formally advise the Company about any matter relating to that conflict (or potential conflict) of interest.
- 4.5 Directors are entitled to obtain independent professional advice (at the expense of the Company) on any matter relating to their responsibilities as a director or the Company's affairs provided they have previously notified the Chairman of their intention to do so.

5. Integrity and Ethical Behaviour

- 5.1 The Board has adopted a written Code of Ethics (see Appendix 1) that must be applied in spirit and form by all employees and directors of the Company.
- 5.2 In addition to the requirements of the code of ethics, directors are also expected to ensure that all information held about the Company is treated in strict confidence and that property of the Company is used solely in the best interests of the Company.

6. Timely and Balanced Disclosure

- 6.1 The Company communicates its financial and key operational performance results in a clear, effective, balanced, and timely manner to its shareholders, analysts and other market commentators, and to NZX, and such information is accessible on the Company's website.
- 6.2 The Board ensures that all directors and senior management are aware of and comply with the Company's reporting responsibilities and disclosure requirements under the Listing Rules and in accordance with the Company's internal policies and this Charter.
- 6.3 The Company maintains internal policies and procedures and monitors compliance with those policies and procedures to protect the confidentiality of its commercially sensitive information.
- 6.4 The CFO is responsible for bringing to the attention of the Board any matter relevant to the Company's disclosure obligations.
- 6.5 The Company's policy is to provide timely and sufficient information in appropriate format so as to enable external parties to achieve a sound understanding of the Company's performance during any six-month reporting period and to achieve an understanding of the key elements of the Company's business plan.
- 6.6 The CEO and CFO are responsible for ensuring all members of the Board receive adequate information in connection with the Company's activities and that this information is received at least 48 hours before scheduled Board meetings.
- 6.7 The Company will include the following information in the annual report:
- Members of the Board, Audit and Risk Committee, and Remuneration and Nomination Committee;
 - The number of Board and committee meetings during the year;
 - Attendance by directors at each meeting;
 - The names of the Chairman, CEO, and all non-executive directors;
 - The following information with respect to directors:
 - Academic and professional qualifications;

- Shareholdings in the Company and its subsidiaries;
- Board committees served on;
- Date of first appointment as director;
- Date of last re-election as director;
- Directorships both presently and those held over the preceding three years in other NZX and ASX listed companies;
- Names of directors who are executive and non-executive;
- Names of directors who are independent; and
- Names of directors standing for election or re-election at the next annual general meeting of shareholders.
- The chairman of the Audit and Risk Committee and Remuneration and Nomination Committee.
- The remuneration level of directors.
- The adequacy of the Company's internal controls.

7. Communications with Shareholders: Meetings and Information

- 7.1 The Company facilitates the effective exercise by shareholders of their rights by:
- Taking steps to ensure information about the Company is available to all shareholders by means of personal and/or website communication; and
 - Encouraging shareholders to attend general meetings of the Company and making appropriate time available at such meetings for shareholders to ask questions of directors and management.
- 7.2 The Company's auditor attends any general meeting of shareholders and is available to answer questions about the conduct of the audits and the preparation and content of the audit reports.
- 7.3 An agenda is to be prepared for each Board meeting and will be circulated to each member with the Board papers per 6.6 above.
- 7.4 The agenda will include the following items as standing items to be covered in every Board meeting:
- Background or explanatory information relating to matters to be brought before the Board for its consideration;
 - Copies of disclosure statements;
 - Budgets and forecasts;
 - Monthly internal financial statements;
 - Commentary on performance results compared to budget.

8 Recognition and Management of Risk

- 8.1 The Company maintains a framework for the identification, assessment, monitoring and management of risk to the Company's business. The risk management framework is approved and overseen by the Audit and Risk Committee in accordance with the charter for that committee.

9. Internal and External Stakeholders and Community Responsibility

- 9.1 The Company adheres to a Code of Ethics, which is attached as an Appendix to this Charter.

SCHEDULE 1 – TERMS OF APPOINTMENT FOR DIRECTORS

1. Introduction

- 1.1 The Company is listed on the main board equity security market operated by NZX. The directors are responsible to the shareholders of the Company for its corporate and financial performance and are responsible at law and under the Listing Rules for compliance with the applicable legislation and regulations in the jurisdictions within which the Company and its subsidiaries operate.
- 1.2 Prior to appointment, a proposed director may attend and participate in Board and committee meetings but may not vote or otherwise act or be seen to act as an appointed director of the Company.
- 1.3 The Company's constitution refers to various matters relating to directors. Reference should be made to the constitution as well as to this document. The Company's constitution applies to all matters.

2. Responsibilities

- 2.1 Responsibilities of the directors of the Company (and its subsidiaries) include but are not necessarily limited to the following:
 - Setting the strategic direction and policy;
 - Ensuring that the Company complies with the Companies Act 1993, relevant corporations law in applicable jurisdictions and other applicable legislation, the Listing Rules and other requirements;
 - Appointing, reviewing and appraising the performance of the CEO and CFO;
 - Ensuring that the Company has in place appropriate corporate governance practices, internal controls and audit procedures and risk management programmes;
 - Attending, participating actively in and contributing to the scheduled and other meetings of the Board and the committees of the Company. In this regard, directors need to have adequate time to commit to carrying out their director responsibilities and be available for the scheduled meetings of the Board and its committees as required;
 - Raising any matters of concern as they arise with the Chairman and/or the Board's committees and/or the CEO as appropriate;
 - Declaring their other business and/or personal interests which might affect their independent status as a director of the Company and declaring any potential conflicts of interest which may arise from time to time;
 - Complying with the Company Board Charter and its associated support documents;
 - Complying with the Company's Securities Trading Policy and Guidelines which govern the trading of securities in the Company by directors, the way directors and employees conduct themselves, and the business activities of the Company;
 - Understanding the duties and responsibilities of a director of a publicly-listed company in New Zealand; and
 - Developing and maintaining a reasonable understanding and knowledge of the strategic and operational components of the tourism industry in general and the activities of the Company.

3. Performance Review

- 3.1 The Remuneration and Nomination Committee will review and discuss the performance of each director and the Chairman and the performance and effectiveness of the Board and committees on bi-annual basis (every year in which a review under clause 3.2 is not undertaken).
- 3.2 A formal review will be undertaken by an independent third party on a bi-annual basis, The outcome of the review is taken into consideration by the Remuneration and Nomination Committee and the Board in determining positions on the Board and remuneration.

3.3 Non-executive directors will be paid fees, as agreed by the Company and approved by shareholders, on a quarterly basis. Expenses incurred in carrying out the responsibilities of the position will be reimbursed.

3.4 Fees will be reviewed regularly having regard to fees paid by comparable companies and will recognise the additional responsibilities of Board and committee Chairmen roles. The total remuneration payable to non-executive directors is set by shareholder resolution.

4. Remuneration

Non-Executive Directors

4.1 Non-executive director remuneration is paid in the form of directors' fees. Fees will be paid in cash unless otherwise determined by the Board.

4.2 Non-executive directors are paid the same base fee but additional remuneration may be paid for additional responsibilities undertaken by any director, at the discretion of the Board and subject to the maximum remuneration amount which has been approved by the shareholders of the Company.

4.3 The Chairman and the members of the committees are paid additional remuneration to reflect the additional responsibilities of their positions. Where the Chairman is also the chair of a committee, no additional remuneration is paid for that committee chairman's role.

4.4 The Company pays for a Director's expenses, reasonably incurred in carrying out their duties as a director. The CFO may authorise such expenses or refer them for approval to the Chairman, or in the case of the Chairman, to the chairman of the Audit and Risk Committee.

CEO

4.5 The CEO is paid a salary plus performance-related remuneration.

5. Chairman

5.1 One of the directors is elected by the Board to chair the Company.

5.2 The Chairman must be an independent director.

6. Committee Membership

6.1 The Board has two standing committees - the Remuneration and Nomination Committee, and the Audit and Risk Committee. Each committee is governed by a charter and is responsible for attending to the matters as set out in its charter document.

7. Public Statements, Media Questions

7.1 Except as specifically authorised, public statements about the Company or its activities may only be made in accordance with the Delegated Authority Policy.

8. Independent Advisors

8.1 Any director who wishes to obtain independent advice on any matter pertaining to the Company's affairs must first advise the Chairman or, in his/her absence, the chairman of the Audit and Risk Committee. The cost of such advice will be to the account of the Company, not to the account of the director.

9. Induction

9.1 Following appointment, each director will receive an induction to the Company. The induction programme will include the following:

- A copy of the Board Charter and attached schedules;
- Site visits to all key locations;
- A business briefing with the CEO, CFO, and other senior executive personnel as may be appropriate.

10. Involvement in the Company's Affairs

- 10.1 Directors are expected to maintain an up to date knowledge of the Company's business operations and of the industry sectors within which the Company operates.
- 10.2 Directors are encouraged to maintain knowledge and contact with the business operations.
- 10.3 To ensure Directors are up-to-date with all matters related to their directorship of the Company, they are encouraged to undertake ongoing training, attend seminars and workshops, which will be the expense of the Company (subject to approval by the Chairman).

11. Indemnities and Professional Liability Insurance

- 11.1 Each director will be indemnified, to the extent permitted by law, for actions taken in carrying out his/her duties as a director of the Company. Where a director acts in a position outside the Company but at the request of the Company, an indemnity in respect of that role will also be provided.
- 11.2 The Company will secure, at its cost, appropriate professional liability insurance cover for its directors.

12. Re-Appointment, Re-Election

- 12.1 Re-election is by the shareholders at the Annual Meeting of the Company. Directors must retire by rotation in accordance with the requirements of the Company's constitution and the Listing Rules, but may offer themselves for re-election subject to meeting the requirements as set out in the Company's constitution.

SCHEDULE 2 – INDEPENDENCE GUIDELINES

- 1.1 The Listing Rules define an independent director as being a director who is not an executive of the Company (“issuer”) and does not have a Disqualifying Relationship” defined as being any direct or indirect interest or relationship that could reasonably influence, in a material way, the director’s decisions in relation to the issuer.
- 1.2 The Listing Rules further define a Disqualifying Relationship as being where:
- (a) The director is a substantial security holder of the issuer, or is an associated person of the substantial security holder (other than solely as a consequence of being a director of the issuer); or
 - (b) Where:
 - i) The director has a relationship (other than in his/her capacity as a director of the issuer) with the issuer or a substantial security holder of the issuer; or
 - ii) An associated person of the director has a relationship with the issuer or a substantial security holder of the issuer; and
 - iii) By virtue of the relationship in (b) i) or (b) ii) that director or any associated person of that director is likely to derive, in the current financial year of the issuer, a substantial portion of their annual revenue from the issuer during such financial year. For the purposes of (b) iii) the annual revenue a director or associated person of a director derives from an issuer does not include dividends and other distributions payable to all holders of a class of equity securities.
- 1.3 In considering whether a director has a Disqualifying Relationship the issuer shall consider all the circumstances including the history of the relationship between the issuer and the director and/or any plans the issuer may have concerning its relationship with the director on an ongoing basis.
- 1.4 The Board must identify which directors it has determined to be independent and advise NZX of such determination at such times as prescribed in the Listing Rules.