



# BOARD OF DIRECTORS' CHARTER

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This charter (**Charter**) was approved by the Board of Directors of Synlait Milk Limited (**Board**).

## 1. Purpose

- 1.1 This Charter sets out the roles and responsibilities of the Board and should be read in conjunction with the Synlait Constitution, the Companies Act 1993 and the NZX Listing Rules.
- 1.2 The Board is the ultimate decision-making body of Synlait and is accountable to the shareholders for the performance of Synlait in building sustainable value. In carrying out its responsibilities, the Board undertakes to advance the interests of shareholders, employees, customers and other key stakeholders acting honestly, faithful to our purpose, intelligently and in accordance with applicable laws, while setting the overall tone for the culture, performance and accountability of Synlait.

## 2. Roles and Responsibilities of the Board

- 2.1 The Board's roles and responsibilities include the following:
  - to comply with the Code of Ethics and act in the best interests of Synlait consistent with the letter and spirit of Board decisions;
  - to approve a clear and concise strategic direction for Synlait and constructively monitor management's implementation;
  - to appoint (and if necessary, remove from office) the Chief Executive Officer (**CEO**) who will be charged with the day-to-day leadership and management of Synlait;
  - to ratify the appointment (and if necessary, removal from office) of the Chief Financial Officer and Company Secretary;
  - to monitor the development, performance and remuneration of key talent and management;

- to monitor financial outcomes, safeguard the integrity of financial reporting, and approve annual budgets with sufficient foresight to enable longer term strategies to be met;
- to promote a corporate culture which embraces diversity, inclusion and pride throughout Synlait;
- to ensure that an excellent health, wellbeing and safety culture is maintained;
- to oversee and manage risk on a timely basis;
- to ensure timely and accurate disclosure and reporting to shareholders; and
- to ensure that Synlait acts as a good corporate citizen advancing the interests of people and the planet while driving profit.

2.2 The Board delegates to the CEO responsibility implementing the strategic direction of Synlait and managing the day-to-day operations of Synlait. The CEO manages in accordance with the vision and strategy developed with the Board.

### 3. Directors take into Account

3.1 The Directors will in exercising their role:

- comply with the Code of Ethics and act in the best interests of Synlait as a whole;
- rely on the honesty and integrity of Synlait's management and its external auditors and advisors;
- be actively engaged in spirited debate with one another and management to direct and approve strategic planning;
- commit the necessary time to be well briefed and able to fully participate in Board discussions;
- ensure that systems and processes are active in such a way that Synlait can sustain its course of business in an honest, ethical, responsible and safe manner;
- avoid conflicts of interest where possible, and promptly declare and manage conflicts in accordance with the Conflicts of Interest Policy should they arise, and remain acutely aware of potential risks;
- maintain and protect all confidential information in relation to stakeholders and business and financial affairs;

- diligently analyse and review any material acquisitions (or divestments) and capital expenditure; and
- safeguard, protect and promote the image and reputation of Synlait at all times and keep confidential all discussions and decisions which are not publicly known.

## 4. Board Composition

- 4.1 The Board will comprise of a minimum of three Directors and a maximum of eight Directors. There will always be at least three independent Directors. One Director will be appointed as a Managing Director.
- 4.2 The Chairman will be an independent Director elected by the full Board.
- 4.3 Bright Dairy Holdings Limited may appoint up to four Directors, one of whom must be ordinarily a resident in New Zealand with extensive commercial and governance experience in New Zealand, while it meets certain shareholding requirements.

## 5. Role of the Chairman

- 5.1 The Chairman's role is to:
- provide leadership to the Board and Synlait;
  - manage the Board in an effective manner and ensure it is well informed with each Director having access to all relevant information;
  - allow the Directors, individually and collectively, an opportunity to air differences, explore ideas, and generate the collective vision and wisdom necessary for the operation of the Board;
  - foster a constructive governance culture fostering consultative relations between the Board and management; and
  - act as the link between the Board and the CEO on a day-to-day basis.
- 5.2 The Chairman will conduct an annual review of the Board and each Director.

## 6. Access to Information

- 6.1 The Directors are able to have access to management through the CEO at any time to request information or seek explanations. The Directors may also have access to advisers of Synlait and can seek independent professional advice with the Chairman's consent, at Synlait's expense. This will normally be arranged through the Company Secretary.

## 7. Company Secretary

- 7.1 The Company Secretary is responsible for implementing any Board policies or procedures and providing advice to the Board on corporate governance matters. Any Director is entitled to separately contact the Company Secretary for advice or information for governance purposes.

## 8. Board Meetings

- 8.1 The Board will meet formally at least six times per annum and where necessary, will meet to deal with urgent matters between scheduled meetings.
- 8.2 Board meetings can be held with a quorum of three Directors assembled together in the same place or by conference call. The quorum should comprise at least two (2) independent directors (unless an issues arises regarding a conflict of interest when reference should be had to the Constitution).

## 9. Board Committees

- 9.1 In discharging its responsibilities, the Board will form committees to consider specific areas (**Committees**). The Board will not delegate any of its responsibilities to the Committees but consider recommendations from the Committees.
- 9.2 The Board has established the following Committees:
- Audit and Risk Committee; and
  - People and Governance Committee.
- 9.3 The Board may establish other Committees as required.
- 9.4 Each of the Committees have written charters setting out roles and responsibilities,

composition, membership requirements, and the manner in which the Committee is to operate. The Committee charters will be approved by the Board.

- 9.5 The Board will annually review the Committees' performance objectives and responsibilities in accordance with each Committee Charter.

## 10. Reporting by the Board

- 10.1 The Board shall ensure that minutes are recorded at all meetings of the shareholders, the Board and Board Committee meetings. The Chairman of the meeting will approve all minutes and resolutions passed.

- 10.2 Minutes of all Board meetings will be circulated to Directors for approval at the commencement of the next scheduled meeting. All passed resolutions (from either Board or Committee meetings) will be noted for that meeting and made available at the next scheduled meeting.

## 11. Review of Charter

- 11.1 The Board will review this Charter annually to ensure it remains current and consistent with the Board's objectives and responsibilities.

