

Fisher Funds Group

Board Charter

Approved: December 2023



1. PURPOSE

This Board Charter ("**Charter**") sets out the roles and responsibilities of the Board and Directors, including formal delegations to management, of each of the following Companies:

- Fisher Funds Management Limited ("**Fisher Funds**");
- Kiwi Wealth Management Limited;
- Kiwi Wealth Investments General Partner Limited ("**KWIGPL**") for itself and on behalf of Kiwi Wealth Investments Limited Partnership ("**KWILP**");
- Kiwi Wealth Limited;
- Portfolio Custodial Nominees Limited ("**PCN**");
- Kiwi Investment Management Limited; and
- any wholly owned subsidiary of Fisher Funds that may be incorporated from time to time,

(together, the "**Group**" and each a "**Company**").

Any reference to a "Board" or "Director" throughout this charter is to be read as applying equally to the Board and Directors of each Company.

The Charter highlights the values, principles and practices that underpin the function of the Board of Directors 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.

2. ROLE OF THE BOARD

The Board is responsible for the governance and control of the activities of the relevant Company. Corporate governance structures and practices must encourage the creation of value for Fisher Funds shareholders whilst ensuring the highest standards of ethical conduct, supporting the achievement of good outcomes for clients, and providing control systems appropriate to the risks faced by the relevant Company.

In practice, the Board operates through delegation, in part, to the relevant Chief Executive Officer and other executives who are charged with the day to day leadership and management of each relevant Company.

3. FISHER FUNDS CONDUCT MANAGEMENT PROGRAMME AND CONDUCT PRINCIPLES

The Board of Fisher Funds has adopted a Conduct Management Programme, including a set of Conduct Principles.

The Conduct Management Programme assists Fisher Funds to deliver good client outcomes by providing a framework, with a conduct lens, for considering the role of and effects on the client throughout the Fisher Funds' product lifecycle from product development to market offering (including the use of intermediaries), through to post-sales analysis, on-going servicing and complaints. The framework has an essential element of effective governance oversight of conduct and is underpinned by the business' cultural orientation and people management systems.

A continuous uplift in good client outcomes can be expected to strengthen the Group's platform for sustainable growth and enhance delivery of the Group's brand promise by promoting deeper and richer engagement with our clients.

4. FUNCTIONS AND RESPONSIBILITIES OF THE BOARD

The Board operates in accordance with all applicable laws and regulations and the constitution of the relevant Company.

The Board's responsibilities include:

- Approving the strategic direction of the Group and the corresponding business strategies and objectives that give effect to the Group's strategic direction.
- Reviewing and approving each Company's business plans, budgets, capital expenditure and financial forecasts as well as monitoring the financial performance and financial position of that Company.
- Approving and regularly reviewing each Company's key policies and procedures, including (as applicable) the Conduct Management Programme and Conduct Principles, Financial Delegation and Authorities given to management, the Risk Governance Policy, the Personal Trading Policy, this Charter and all Board committee charters.
- Overseeing the operation of the Group's business to ensure that it is being managed appropriately and operates in an honest, ethical and responsible manner.
- Monitoring the operations of the Group's business to ensure it is managed appropriately to help deliver good client outcomes.
- Monitoring each Company's adherence with its internal compliance programmes to ensure regulatory, policy and contractual compliance is maintained.
- Maintaining appropriate risk management practices, including those relating to workplace health and safety.
- 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.
- Where applicable, managing the appointment, remuneration and performance of any Chief Executive Officer.
- Monitoring Climate Reporting Entities' (CRE)¹ compliance with climate-related disclosure regulations, ensuring effective policies and procedures are implemented to address the evolving risks and opportunities arising from climate change
- Approving the annual climate statement² for each CREs

5. GOVERNANCE ROLES AND DELEGATIONS

Board

The Board has overall responsibility for the strategy, culture, governance and performance of the relevant Company. The Board has appointed sub-committees of the Board (outlined in section 6 of this Charter) to assist it in carrying out its responsibilities.

Directors must use reasonable care and exercise independent professional judgment at all times.

^{1 2} The Financial Markets Conduct Act 2013 defines "client reporting entity" and "climate statement"

The Board and the sub committees are entitled to require management personnel to report directly to them at their respective meetings and each may directly engage external experts at the cost of the relevant Company.

Chair

The Chair is appointed in accordance with the terms of the FFML TopCo Limited Shareholders' Agreement ("**Shareholders' Agreement**"). The Chair's role is to foster a constructive governance culture, manage the Board effectively and provide leadership to the Board and management.

The Chair is separate from the Fisher Funds' Chief Executive Officer and the Kiwi Wealth Chief Executive Officer. The relationship between the Chair and any Chief Executive Officer is important as it facilitates effective working relationships between the Board and management.

Chief Executive Officer

The Board has delegated authority, in part, to the Fisher Funds Chief Executive Officer and the Kiwi Wealth Chief Executive Officer who are primarily responsible for the effective day to day management and leadership of the relevant Companies.

Specific delegations have been provided to the Chief Executive Officers through the Financial Delegations and Authorities Policy (or equivalent), set by the relevant Board. Other executives are also provided with delegated authorities. These delegations cover matters such as expenditure limits, key contracts, and dealing with the media. The delegations allow management to conduct business operations through a clear and controlled authority framework, taking into account budgets, compliance requirements and the objectives of the business, while retaining certain authorities solely for the Board.

6. BOARD COMMITTEES

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 members are appointed by the Board of Fisher Funds and the committee charter provides who is responsible for appointing the Chair of that committee.

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

Each committee's charter is reviewed bi-ennially or more frequently if required.

There are four permanent committees which provide assistance to the Board of the relevant companies:

- The Audit and Risk Committee – provides assistance to the Board in fulfilling its responsibilities in relation to each Company's financial reporting, internal controls structure, risk management systems and the external audit function.
- The Remuneration Committee – provides assistance to the Board with matters relating to; the remuneration, recruitment, retention and performance measurement of any Chief Executive Officer and other selected executives.
- The Nominations Committee – provides assistance to the Board with matters relating to; the recruitment, retention, performance measurement and evaluating the balance of skills, knowledge and experience on the Board.

- The Investment Strategy Committee - Ensuring that each relevant Company's investment approach is appropriate to meet the investment outcomes promised to clients generally; to consider material changes to investment policy matters (including fair dealing); to monitor the performance of portfolios and assess strategic and tactical asset allocation decisions.

A copy of each committee's charter is available on the Fisher Funds website.

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

7. BOARD COMPOSITION

Composition and Independence

The Board will be 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 Shareholders' Agreement and the constitution of the relevant Company.

Fisher Funds is a privately held company and shareholders have rights to appoint Directors as their representatives as defined in the Shareholders' Agreement. All Directors must act in the best interests of the relevant Company, irrespective of their independence. See also section 10 (Conflicts of Interest) of this Charter for more information.

Details about the current Directors, including their experience and background are available on the Fisher Funds and Kiwi Wealth websites.

Tenure and Rotation

There is no maximum term of Director appointments or requirement to retire by rotation. However, the Board considers the collective mix of skills and experience of Directors at least annually to ensure it remains effective.

Induction

The Board seeks to ensure that new Directors are appropriately introduced to other Directors and management and are well acquainted with the business. New Directors receive an induction pack which includes key governance documents and policies.

Continuous Education

It is expected that all Directors continuously educate themselves to ensure that they have appropriate expertise and can effectively perform their duties.

In addition, briefings from key management and industry experts will be arranged for the Board where appropriate.

8. BOARD MEETINGS AND PROCEEDINGS

The Board meets as often as it deems appropriate. Typically, this is at least six times per year where the relevant Company is an authorised body or licence holder and less frequently for the other Companies. Additional meetings may be scheduled at the discretion of Directors, as deemed necessary to discharge their obligations.

A quorum will be formed when the requirements in the Shareholders' Agreement are met.

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 of the relevant Company, 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.

Directors (with the prior consent of the Chair of the relevant Company) 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 management and the relevant 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 of the relevant Company) engage and consult with professional advisors from time to time, with any costs being met by that Company.

9. BOARD AND COMMITTEE EVALUATION

An annual assessment of each Director is conducted to ensure the Board has an appropriate balance and mix of knowledge, skills and experience within its membership to be effective. The assessment will also highlight any gaps which will be considered in selecting any new Directors and also may result in additional training or professional development for existing Directors

An annual evaluation of Board performance and the performance of each sub-committee is also conducted, with Directors' views sought on issues relating to Board process and support, efficiency and effectiveness, as well as openness and participation in Board discussions.

10. CONFLICTS OF INTEREST

Disclosure of Interests

Any transaction by a Company in which a Director has an interest must be entered in the relevant Company's Interests Register, which is reported to the Board of the relevant Company at each meeting.

Where a conflict of interest exists in respect of any transaction entered into or to be entered into by the relevant Company, the conflicted Director is nevertheless entitled to participate in any discussion in relation to the transaction and is entitled to vote on any issues relating to the transaction in which they are interested as if they were not interested in the transaction, but subject always to prior disclosure by the conflicted Director.

In addition, Directors must disclose to the Board at each meeting, all directorships they hold with other organisations to ensure the Board is aware of any potential conflicts of interest that might exist when the relevant Company is contracting with other organisations.

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 conflicts.

Gifts and Personal Gains

Directors must place the interests of clients first and before their own personal interests. Directors will not use for personal gain, opportunities that are discovered through the use of the relevant Company's property or information disclosed to Directors by virtue of their position as a Director.

Directors must not solicit gifts, hospitality or benefits from a client, supplier, business partner or other external party and must not accept or give any gift, hospitality or benefit that is likely to influence the commercial decision making of the receiver of the gift.

Insurance

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

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

PCN

In the event of a conflict between the interests of clients under any custody arrangements that PCN provides for any discretionary management service ("**DIMS**") offered by KWILP, and the interests of KWILP or its general partner, KWIGPL as the DIMS provider, a PCN Director's duty is to take reasonable care, and use due diligence to ensure that PCN gives priority to the interests of the DIMS custody clients over the interests of KWILP or KWIGPL as the DIMS provider.

11. PCN WHISTLEBLOWING

If a PCN Director has reasonable grounds to believe that PCN, its Board or staff are involved in serious wrongdoings and/or a material conflict of interest in relation to the custody arrangements that PCN provides for any DIMS offered by KWILP or KWIGPL then they must disclose that so that the serious wrongdoing and/or conflict can be investigated and resolved.

Serious wrongdoing or a material conflict of interest in relation to PCN can include:

- Dishonest, fraudulent, corrupt or illegal activity by PCN, its Board, or staff;
- Substantial mismanagement of PCN resources;
- Any other conduct arising out of PCN's role as DIMS custodian that could cause loss or material determine to clients of any DIMS offered by KWILP or KWIGPL.

A PCN Director wishing to disclose information under this Charter should do so by contacting (in writing or in person) the Chair of FFML.

If the Director believes on reasonable grounds that all of the above may be involved in the serious wrongdoing and/or conflict or have relationships or associations with someone involved in the serious wrongdoing and/or conflict, they may contact (in writing or in person) the Financial Markets Authority.

To ensure that the importance of the disclosure is understood, the PCN Director should mention contact is being made under this Charter.

Any person to whom a disclosure is made under this Charter must immediately advise the PCN Director if for any reason it is inappropriate for them to consider the information. In that event, they must provide the Director with an alternative contact under this Charter, treat any information provided to them with confidentiality and remain independent from any investigation.

Outcome

Investigation processes will vary depending on the nature of the wrongdoing and/or conflict being investigated. However, all investigations will be conducted in a manner that is fair, objective and affords natural justice to all people involved and consistent with any applicable legislative requirements, employment agreements, internal staff investigations processes and policies.

Directors will be advised when the investigation has been concluded and may be asked to comment or provide further information.

12. REVIEW OF THE CHARTER

This Charter will be reviewed annually or more frequently if required.

If there is any inconsistency between the Board Charter and the constitution of a Company, the constitution will prevail.