

## MARLBOROUGH WINE ESTATES GROUP LIMITED

### BOARD CHARTER

#### Policy Statement

This Charter sets out the authority, responsibilities, membership and operation of the board of directors (**Board**) of Marlborough Wine Estates Group Limited (**MWE**) and should be read in addition to responsibilities at law, under the MWE's constitution and the NZX Main Board Listing Rules (**Listing Rules**). The Charter also details the manner in which these responsibilities will be carried out to comply with best practice in corporate governance in accordance with applicable laws in the jurisdictions in which MWE operates.

### BOARD GOVERNANCE PRINCIPLES AND PROCESS

#### Governance principles

The Board and management are committed to the highest standards of corporate governance as established by recognised best practice. Specifically, the Board has adopted the following governance principles to act in accordance with agreed standards of ethical and moral behaviour, including observing the Code of Ethics.

#### Role of the Board

The Board establishes MWE's objectives, overall policy framework within which the business of MWE is conducted and confirms strategies for achieving these objectives, monitors management's performance and ensures that procedures are in place to provide effective internal financial control. The Board will satisfy itself that MWE is achieving its goals. The Board will work to ensure that MWE has a culture of integrity and good performance.

#### Board Responsibilities

The Board may delegate authority for the operation and administration of MWE to a senior member of the management team (such as the CEO) or, to any of the directors of MWE (**Directors**) or agents of MWE.

The Board is responsible for guiding the corporate strategy and direction of MWE and has overall responsibility for decision-making. The Board is responsible for promoting the success of MWE in a manner designed to create and build sustainable value for shareholders and in accordance with the duties and obligations imposed upon them by MWE's constitution and at law, while taking due regard to other stakeholder interests.

The Board will comprise of a minimum of three directors at all times, with at least two independent directors. At least two of the directors must be ordinarily resident in New Zealand.

To assess if a Director is independent, the Board takes into account the requirements in the Listing Rules and guidance published in the NZX Corporate Governance Code. In particular, the Director must not have a direct or indirect interest or relationship that could reasonably influence in a material way the Director's decisions in relation to MWE, including:

- has not been employed by MWE in an executive capacity within the last five (5) years;
- within the last five (5) years has not had a significant business relationship with MWE from which the Director has or is likely to derive 10% or more of that Director's annual revenue;
- does not have a "substantial holding" (as that term is defined in the Financial Markets Conduct Act 2013) in the shares of MWE;

- is not a member of an immediate family of any person described above.

Specifically, the Board is responsible for:

- setting strategic direction and an appropriate operating framework for MWE;
- monitoring management's performance within those frameworks;
- ensuring there are adequate resources available to meet MWE objectives;
- approving and monitoring financial reporting and capital management;
- approving timely and balanced communication to MWE's shareholders (**Shareholders**);
- monitoring the financial solvency of the MWE;
- ensuring that effective risk management procedures are in place and are being used;
- promoting and authorising ethical and responsible decision-making by the MWE;
- ensuring MWE has appropriate corporate governance structures in place including standards of ethical behaviour; and
- ensuring that the Board is and remains appropriately skilled to meet the changing needs of MWE.

### **Chair**

The chair of the Board (**Chair**) will be a Director selected by the Board. Where the Chair is unavailable to perform their duties, the Board may appoint another Director to perform such duties in the Chair's absence. The Chair is responsible for:

- chairing meetings of the Board;
- representing the Board to Shareholders;
- ensuring the integrity and effectiveness of the governance process of the Board;
- ensuring there are processes and procedures in place to evaluate the performance of the Board, its committees and individual directors (evaluation is to occur annually); and
- maintaining regular dialogue with the CEO.

The Chair is not required to be an independent director. To avoid conflicts of interest, the Chair and CEO will be separate people unless temporary circumstances require the joining of the two roles for a transitional period.

### **Board Committees**

The Board may discharge any of its responsibilities through committees of the Board. The Board may establish a committee to consider certain issues and functions in more detail. Each committee may adopt its own charter to be approved by the Board, setting out matters relevant to its composition and responsibilities. The Board retains ultimate responsibility for the functions of its committees and determines their responsibilities.

In order to be fully informed on the matters for consideration, a committee member may invite the attendance of any of the Chair, the CEO, MWE's auditors and advisors. The minutes of the proceedings of every committee meeting shall be taken and circulated to each member of the Board.

The Board will regularly review the performance of the committees in accordance with their relevant charters.

### **Audit and Risk Committee**

The Board has established an Audit and Risk Committee with the role of overseeing financial reporting, accounting policies, financial management, and internal control systems.

The Audit and Risk Committee responsibilities are outlined in the Audit and Risk Committee Charter which shall be readily available to Shareholders and on MWE's website.

## **Remuneration Committee**

The Board has established a Remuneration Committee comprised solely of non-executive Directors, with the role of recommending Director remuneration packages to Shareholders. The Remuneration Committee responsibilities are outlined in the Remuneration Committee Charter.

## **Other Committees**

The Board may on a case by case basis establish other committee's where it considers it appropriate to do so. New committees may be standing committees or temporary committees.

## **Takeover Committee**

The Board will establish a committee upon becoming aware of a takeover offer being made for MWE (or similar transaction). The core purpose of such a committee will be to consider and respond to an offer for MWE, oversee information disclosure to counter parties, commission any independent reports that are required and provide recommendations to shareholders. Such a committee would consist of non-interested and independent Directors of MWE only and its role would be further defined in a written charter prepared at the relevant time and in the circumstances of such a transaction.

## **Board Appointments Procedure**

The Board is responsible for nominating members to the Board and for filling vacancies on the Board that may occur between annual meetings. The Board will have procedures in place from time to time for the nomination and appointment of directors to the Board.

All material information regarding a board candidate, including negative information, should be provided to the Board as part of their assessment. In considering potential Directors to commend to Shareholders, the Board seeks to identify candidates:

- with appropriate skills, knowledge and experience to contribute to effective direction of MWE;
- who can exercise an informed judgement on matters which come to the Board; and
- who are free of any business or other relationship that may interfere with the exercise of that judgement.

Key information regarding candidates for appointment to the Board is to be communicated to Shareholders to assist with their decision, including:

- where the candidate is standing for the first time, any material adverse information revealed by the checks carried out by MWE; and
- where the candidate is standing to be re-elected, information about the term of office previously served.

Shareholders may also make nominations of directors. The Board will evaluate all candidates, and consider whether they would be independent, and may recommend candidates to Shareholders. The Chair is selected by the Board.

The requirements and procedures governing the retirement, rotation and resignation of directors are prescribed in the Company's Constitution and the Listing Rules.

## **Director Training Policy**

All Directors are responsible for ensuring they remain current in understanding their duties as directors. Where necessary, MWE will support Directors to help develop and maintain their skills and knowledge relevant to performing their role.

## **Director Performance Policy**

The Board will ensure that regular, rigorous and formal processes for evaluating the performance of the Board, committees and individual Directors are in place and lead these processes.

## **Conflict of Interest**

The Board must consider the definition of "Disqualifying Relationship" in the Rules when determining whether a director is "independent" including the factors that may impact a director's independence as described in recommendation 2.4 of the NZX Corporate Governance Code.

Directors must:

- disclose to the Board any actual or potential conflicts of interest which may exist or be reasonably thought to exist as soon as they become aware of the conflict or potential conflict;
- take any necessary and reasonable measures to try to resolve or transparently manage the conflict; and
- comply with the Companies Act 1993 and applicable Listing Rules on disclosing interests and restrictions on voting.

If a conflict or potential conflict exists, it is expected that the conflicted Director shall be absent from the meeting whilst the Board discusses the matter unless the other Directors who do not have an interest in the matter approve such Director being present at the meeting. If a Director has a conflict of interest, that Director cannot vote on a matter in respect of which that Director is interested, nor can any vote be counted towards the Board quorum in respect of that matter.

Directors are expected to advise the Chair of any proposed Board or executive appointments to other companies as soon as practicable.

### **Trading in the Company's shares**

A director can only buy or sell shares in MWE during the permitted periods as outlined in the Financial Product Trading Policy and Guidelines and when they are not Insider Trading as defined in the Financial Markets Conduct Act 2013. All changes in Directors' shareholding must be immediately reported to the CEO for disclosure to NZX.

### **Independent advice**

Any Director is entitled to obtain independent professional advice (at the expense of MWE) where the Director considers it necessary to carry out his/her responsibilities as a director, with the approval of the Chair.

### **Indemnities and insurance**

Subject to MWE's constitution, MWE will provide Directors with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as Directors, to the fullest extent permitted by law.

### **Reporting and Disclosure**

In addition to all information required by law, the Board acknowledges that MWE's annual report should include sufficient meaningful information to enable Shareholders and stakeholders to be well informed on MWE's affairs.

MWE's annual report will include:

- information about each Director, member of the Audit and Risk Committee and Remuneration Committee, including a profile of experience, length of service, independence, any ownership interests in MWE and Director attendance at Board meetings;
- remuneration arrangements as outlined in the Remuneration Policy; and
- confirmation that MWE has carried out a robust risk assessment process and a description of this process.

### **Review and Communication of Policy**

This Charter and committee charters will be reviewed annually by the Board. MWE will communicate the Charter to Shareholders and to the market, including via its website, in the interests of transparency and accountability, and to better promote the objectives of the Charter.

This Board Charter has been agreed by the Board of Marlborough Wine Estates Group Limited.

<b>Issue</b>	<b>Approved by</b>	<b>Date</b>
1.0	The Board	AUGUST 2019
2.0	The Board	JANUARY 2023