

# CBL Corporation Limited

Charters and Policies

12 October 2015

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# Defined terms

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In the Charters and Policies contained in this document:

**Board** means the board of Directors the Company;

**CFO** means the Chief Financial Officer of the Company;

**Companies Act** means the Companies Act 1993;

**Company** means CBL Corporation Limited;

**Constitution** means the constitution of the Company, altered from time to time;

**Director** means a person appointed as, or holding the office of, a director of the Company;

**Managing Director** means the Managing Director of the Company; and

**Senior Management** means the senior management team of the Company.

# 1. Board Charter

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This Charter was approved by the Board of the Company on 4 September 2015.

## 1. Purpose

- 1.1 This Charter sets out the Board's Code of Ethics encompassing conflicts of interest, corporate information and property, compliance with laws, NZX Listing Rules, ASX Listing Rules, regulations and policies and Directors' obligations. This Charter is to be read together with the Constitution, the Companies Act, the NZX Listing Rules and the ASX Listing Rules.

## 2. Overview

- 2.1 The Board will be the ultimate decision-making body of the Company. It will set the tone which will determine the culture and permeate the Company's relationship with shareholders, investors, employees, customers, suppliers and the local and business communities.
- 2.2 The Board will set the strategic direction of the Company and will select the Senior Management team which is charged with operating the business. Once selected, the Board will act as an advisor, overseer and counsellor to Senior Management and will ultimately monitor performance of the Company on behalf of all shareholders.
- 2.3 The Board is responsible for the corporate governance of the Company.

## 3. Values

- 3.1 Directors will undertake their duties in accordance with the Constitution, all applicable laws and regulations, NZX Listing Rules, ASX Listing Rules (including, having regard to the *ASX Corporate Governance Principles and Recommendations 3rd edition*) (**ASX Guidelines**) and this Charter, and will undertake their duties with care and diligence including giving proper attention to the matters before them.
- 3.2 Directors will conduct themselves such that their honesty is beyond question and will not behave in a manner that has the potential to bring the Company's good name or image into disrepute.
- 3.3 Directors will act in good faith and in what they believe is in the best interests of the Company as a whole.
- 3.4 Directors will not enter into transactions or make promises on behalf of the Company that the Company does not intend to honour.
- 3.5 Directors will, to the best of their ability, use best endeavours to ensure that the Company's records and documents, including financial reports, are true, correct and conform to the Company's reporting standards and internal controls.

## 4. Membership, Appointment and Term

- 4.1 The Constitution provides for the Board to consist of a minimum of 3 Directors and a maximum (other than alternative Directors) of 8 Directors.
- 4.2 At least 2 Directors must be persons who are ordinarily resident in New Zealand.

- 4.3 The Company will disclose on its website the names of the Directors considered by the Board to be 'independent' in accordance with the ASX Guidelines and will disclose in its annual report if Directors are not considered 'independent', the nature of the interest, position, association or relationship and why it does not compromise the independence of the Director and the length of service of each Director.
- 4.4 At all times the Board must comply with the requirements of the Constitution, the Companies Act, all applicable laws and regulations, the NZX Listing Rules, and the ASX Listing Rules.
- 4.5 A person may be appointed as a Director by ordinary resolution of the shareholders or by the Board, and in each case, subject to the Constitution, the Companies Act, all applicable laws and regulations, the NZX Listing Rules and the ASX Listing Rules.
- 4.6 At least one-third of the Directors, or, if their number is not a multiple of three, then the number nearest to one-third, shall retire from office at the annual meeting each year, but shall be eligible for re-election at that meeting. Those to retire shall be those who have been longest in office since they were last elected or deemed elected. Directors appointed by the Board and one executive Director are exempt from this retirement obligation. Persons who became Directors on the same day must retire in the order they determine by lot or as otherwise agreed between those persons, unless the Board resolves otherwise.
- 4.7 Any person appointed as a Director by the Directors shall retire from office at the next Annual Meeting, but shall be eligible for re-election at the meeting.
- 4.8 Any Director may appoint an alternate Director with the approval of a majority of the other Directors.
- 4.9 The Board may appoint one of its Directors as an executive Director (who may be the Managing Director) for a term up to 5 years on such terms as the Board sees fit. The executive Director can be removed by the Board at any time, and is eligible for reappointment.
- 4.10 The Board will oversee nominations and appointments to the Board, with the objective that the Company has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties and to bring transparency, focus and independent judgement to decisions regarding the composition of the Board. In discharging this role, the Board will have regard to the skills referred to in clause 4.11 below and the responsibilities set out in the schedule to this Charter.
- 4.11 Skills such as leadership and previous experience as a managing director, chair or board member of a large organisation will be considered when assessing the appointment of a Director. In addition to these, the Board recognises that other skills gained from experience in the following areas are key skills and experience that the Board as a whole should comprise:
- (a) relevant industry experience;
  - (b) business acquisition and integration skills;
  - (c) financial literacy and legal and regulatory knowledge;
  - (d) diversity;
  - (e) policy and regulatory development and reform;

- (f) health, safety and social responsibility; and
- (g) organisational development and human resources.

## **5. Board Responsibilities**

- 5.1 The Board has delegated authority for the operations and administration of the Company to the Managing Director.
- 5.2 The Board is responsible for promoting the success of the Company in a manner designed to create and build sustainable value for shareholders and in accordance with the duties and obligations imposed upon them by the Constitution and law, while having due regard to other stakeholder interests and the requirements of the NZX Listing Rules and the ASX Listing Rules.
- 5.3 Specifically, the Board is responsible for:
  - (a) providing leadership, setting strategic direction, appropriate operating frameworks and budgets of the Company;
  - (b) monitoring management's performance within those frameworks;
  - (c) overseeing management's implementation of the Company's strategic objectives and its performance generally;
  - (d) determining the high level health and safety strategy for the Company, including providing a statement of vision, belief and policy, and actively monitoring management's implementation of that policy, processes and procedures;
  - (e) approving significant and/or material investments and projects, and monitoring the progress, outcomes and return on those investments and projects;
  - (f) seeing there are adequate financial and operational resources available to meet the Company's objectives;
  - (g) appointing and removing the chief executive officer or Managing Director (as the case may be) and overseeing succession plans for Senior Management;
  - (h) approving and monitoring financial reporting, annual budget and capital management;
  - (i) ensuring the Company satisfies its continuous disclosure obligations under the NZX Listing Rules and the ASX Listing Rules, and that the market has available all relevant information required to make informed investment decisions, and assessments of the Company's prospects, in accordance with the Company's Continuous Disclosure Policy;
  - (j) monitoring the financial solvency of the Company;
  - (k) ensuring that effective audit controls and systems, and other risk management procedures are in place and are being adhered to;
  - (l) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;

- (m) seeing that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;
- (n) providing a specific governance focus on risks relating to the Company's physical operations, health and safety policy and risk mitigation programmes;
- (o) reviewing performance, operations and compliance reports from the Managing Director and CFO, including reports and updates on strategic issues and risk management matters;
- (p) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material impact on the price or value of the Company's shares;
- (q) promoting and authorising ethical and responsible decision-making by the Company;
- (r) seeing the Company has appropriate corporate governance structures in place including standards of ethical behaviour and monitoring the effectiveness of those governance practices;
- (s) requiring that the Board is and remains appropriately skilled to meet the changing needs of the Company;
- (t) approving the Company's Governance and Remuneration Committee Charter; and
- (u) attending to matters which cannot be delegated under law, particularly those matters set out in Schedule 2 to the Companies Act.

## **6. Responsibilities of Individual Directors**

6.1 Directors will comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors.

6.2 Broadly these include:

- (a) acting in good faith and in the best interests of the Company as a whole;
- (b) acting with care and diligence and for proper purpose;
- (c) avoiding conflicts of interest wherever possible, and where these do arise declaring and managing these in accordance with the intent and content of this Charter, the Companies Act, the Constitution, the NZX Listing Rules, the ASX Listing Rules and in accordance with the Conflicts of Interest Policy;
- (d) not making improper use of information gained through the position of Director and from taking improper advantage of the position of Director; and
- (e) ensuring the Company's compliance with the Constitution, all applicable laws and regulations, the NZX Listing Rules, the ASX Listing Rules, this Charter and all applicable Board policies and procedures.

6.3 Directors are expected to support the letter and spirit of Board decisions.

- 6.4 Subject to the Company's continuous disclosure obligations under the NZX Listing Rules and ASX Listing Rules, Directors will keep Board information, discussions, deliberations and decisions which are not publicly known confidential.

## **7. Conflicts of Interest**

### **7.1 Directors must:**

- (a) disclose to the Board any actual or potential conflicts of interest or duty, or matter that may bear on their independence, which may exist or be thought to exist as soon as they become aware of the issue; and
- (b) comply with the provisions of the Companies Act on disclosing interests and the Conflict of Interests Policy.

### **7.2 A Director who is interested in a transaction may attend a meeting of the Board at which any matter relating to the transaction arises but while the Company is listed on the NZX Main Board or the ASX:**

- (a) shall not be included among the Directors present at the meeting for the purposes of a quorum; and
- (b) may not vote on any matter relating to the transaction;

except where otherwise provided in the Constitution or the Companies Act.

### **7.3 Directors are expected to advise the Chair of any proposed board or executive appointments to other companies as soon as practicable.**

### **7.4 As noted in the Company's Conflict of Interests Policy, any interests identified by any Director must be noted in the Interests Register.**

### **7.5 A non-executive Director should inform the Chair and the chair of the Governance and Remuneration committee before accepting any new appointment as a director of another listed entity, any other material directorship or other position with a significant time commitment attached.**

## **8. Corporate Opportunities**

### **8.1 Directors will not take any opportunity discovered through the use of Company property, information or position for themselves or use Company property (including the Company's name), information or position for personal gain.**

### **8.2 Directors will not accept gifts or personal benefits of any value from any external party if it could be perceived that these could compromise or influence any decision by the Company.**

### **8.3 Directors will only trade in Company shares in accordance with the Company's Securities Trading Policy and Guidelines.**

## **9. Confidentiality**

### **9.1 Directors will maintain and protect the confidentiality of information entrusted to the Company about customers, work colleagues, suppliers, stakeholders and the Company's business and financial affairs, except where disclosure is allowed or required by law or a relevant regulatory body.**



## **10. Access to Information and Independent Advice**

10.1 Directors may access information and seek 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 matters of law, accounting and other regulatory matters, but excludes advice concerning the personal interests of the Director concerned (such as service contracts with the Company or dealing in the Company's shares or disputes with the Company). Any advice obtained under this procedure will be made available to the other members of the Board and all expenses incurred by the Director(s) in procuring such advice will be borne by the Company, subject to the Chair first providing its consent to the procurement of such advice. Such consent must not be unreasonably delayed or withheld.

10.2 Directors will be entitled to:

- (a) have access to members of management at any time to request relevant and additional information or seek explanations;
- (b) have access to internal and external auditors, without management present to seek explanations or additional information;
- (c) seek independent professional advice with the Chair's consent, which will not be unreasonably withheld or delayed, and which will be at the Company's expense.

10.3 Directors will only create, and only retain, information and communications required for business needs or to meet legal obligations.

## **11. Compliance with Laws and Policies**

11.1 Directors will abide by all the laws, rules and regulations applicable to the Company, including the Companies Act, the Constitution, the NZX Listing Rules, the ASX Listing Rules, Takeovers Code, and this Charter and will comply with all statutory and internal disclosure requirements on a timely basis.

11.2 Directors will ensure that the Company has policies and procedures in place, and that these are adhered to, to ensure the Company complies with all applicable laws, rules and regulations, including the Companies Act, the Constitution, the NZX Listing Rules, the ASX Listing Rules, Takeovers Code and to aim to comply with all statutory and internal disclosure requirements on a timely basis, including complying with applicable Fit & Proper Person policies, and ensuring that the regulated entity status of the Company's operating subsidiaries is not compromised.

11.3 Directors will see that the following are put in place:

- (a) Code of Conduct;
- (b) Continuous Disclosure Policy;
- (c) Securities Trading Policy and Guidelines;
- (d) Risk Management Policy;
- (e) Conflicts of Interest Policy;
- (f) Diversity Policy; and

- (g) Shareholder Communication Policy.

## **12. Reporting Improper Behaviour**

- 12.1 Directors will promptly report to the Chair any illegal, improper or unethical behaviour involving the Company, any employees, customers, suppliers or Directors of which they become aware, or where the behaviour involves the Chair, then promptly report to the Managing Director.

## **13. Board Committees**

- 13.1 The Board will not delegate any of its responsibilities to committees. However, committees will be formed to help the Board discharge its responsibilities by providing recommendations on specific areas of Company business.

- 13.2 The following standing committees will be established by the Board:

- (a) Audit and Financial Risk Committee;
- (b) Governance and Remuneration Committee; and
- (c) Investment and Treasury Committee.

- 13.3 The Board may establish other committees from time to time.

- 13.4 Each of the standing committees must have its own written charter or terms of reference setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All charters and terms of reference of committees of the Board must be reviewed on a regular basis and also will be made available on the Company's website.

## **14. The Board and Management**

- 14.1 Responsibility for the day-to-day management and administration of the Company is delegated by the Board to the Managing Director, assisted by Senior Management.
- 14.2 The Managing Director manages in accordance with the strategy, plans and delegations approved by the Board.
- 14.3 The Board will aim to implement appropriate procedures to assess Senior Management's performance. All policies and delegated limits of authority will be reviewed on a regular basis.

## **15. Chair and company secretary**

- 15.1 The Chair of the Board will be appointed by the Directors from time to time, and the terms of office will be at the Board's discretion. The Chair must be an Independent Director.
- 15.2 The role and responsibilities of the Chair include:
- (a) providing leadership to the Board and to the Company;
  - (b) seeing the efficient organisation and conduct of the Board;
  - (c) monitoring Board performance annually;

- (d) facilitating Board discussions so that core issues facing the Company are addressed;
- (e) briefing all Directors in relation to issues arising at Board meetings;
- (f) facilitating the effective contribution and on-going development of all Directors;
- (g) promoting consultative and respectful relations between Board members and between the Board and management; and
- (h) chairing Board and shareholder meetings.

15.3 The company secretary of the Company, who may also be the CFO, is directly accountable to the Board through the Chair on all matters to do with the proper functioning of the Board.

## **16. Procedures**

16.1 The Directors will meet together to attend to business and adjourn and otherwise regulate their meetings from time to time in such manner as they decide but subject to the Constitution.

16.2 The Board agrees unanimously to have as a quorum of 3 members – not including any interested Director. The Board may from time to time unanimously agree to alter the quorum, or if the Board cannot unanimously agree, the applicable default provisions in the Constitution will apply.

16.3 Directors' meetings may be held by a quorum of Directors assembled together in the same place or by conference call between the Directors through any technological means by which they can participate in discussion.

## **17. Reporting**

17.1 The Board shall ensure that minutes are kept of all proceedings at meetings of the shareholders, the Board and all Board committees. All minutes must be approved by the applicable chair of the meeting.

17.2 Minutes of all Board meetings will be circulated to all Directors. All passed resolutions arising from any Board meeting will be sent to any Director who has not signed or assented to that resolution within 7 days.

## **18. Review of Charter**

18.1 The Board will review this Charter regularly so that it remains consistent with the Board's objectives, responsibilities and its legal and regulatory obligations.

Last updated 4 September 2015

## SCHEDULE – BOARD NOMINATIONS

The responsibilities of the Board in relation to Board nominations are:

- 1.1 Being responsible for and disclosing a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership. The current board skills matrix is included at clause 4.12 of this Charter;
- 1.2 Identifying and assessing the necessary and desirable competencies and characteristics for Board membership, including:
  - (a) skills, expertise and background that add to and complement the range of skills, expertise and background of the existing Directors;
  - (b) diversity; and
  - (c) the extent to which the candidate would fill a present need on the Board;
- 1.3 Establishing processes for identifying suitable candidates for appointment to the Board, aiming at an appropriate mix of expertise, experience and succession;
- 1.4 To oversee that the Company:
  - (a) develops and discloses a Board appointment process, which includes selection criteria having regard to the skills and experience outlined in the Company's Diversity Policy and the selection process for Senior Management positions;
  - (b) undertakes appropriate checks before appointing a person, or putting forward to its shareholders a candidate for election, as a Director, including checks as to a candidate's character, expertise, education, criminal record and bankruptcy history;
  - (c) provides its shareholders with all material information relevant to a decision about whether or not to elect or re-elect a Director (including information regarding independence);
  - (d) has a written agreement with each Director and member of Senior Management setting out the terms of his or her engagement or employment;
  - (e) has and discloses a process for periodically evaluating the performance of the Board, its committees and individual Directors;
  - (f) discloses in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with Company's process;
  - (g) has and discloses a process for periodically evaluating the performance of its Senior Management;
  - (h) discloses in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process; and
  - (i) has, and discloses a summary of the main features of, a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively, particularly in relation to accounting and changes in accounting standards; and

- 1.5 See that succession plans for Board and Senior Management are in place; and
- 1.6 Recommending the removal of Directors from the Board.

## 2. Code of Conduct

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This code of conduct was approved by the Board on 4 September 2015.

### 1. Introduction

#### 1.1 This code of conduct applies to:

- (a) the Directors;
- (b) any employee or officer of the Company and its controlled entities (together, the **Group**); and
- (c) any contractor or consultant to the Group whose terms of engagement incorporate this code of conduct.

#### 1.2 In this code of conduct, **Employees** includes the Managing Director, CFO and any person referred to paragraph 1.1(b).

### 2. Purpose

#### 2.1 As well as assisting to discharge the legal and equitable duties owed by Directors and Employees, the purpose of this code of conduct is to:

- (a) articulate the high standards of honesty, integrity and ethical, responsible and law-abiding behaviour expected of Directors and Employees;
- (b) demonstrate the commitment of the Company and its Directors and senior executives to, and to encourage the observance of those standards, to protect and promote the interests, and take into account the reasonable expectations, of the Company's shareholders and other stakeholders (including Employees, customers, suppliers, creditors, consumers and the broader community);
- (c) guide Directors and Employees as to the practices necessary to maintain confidence in the Group's integrity and comply with their legal obligations; and
- (d) set out the responsibility and accountability of Directors and Employees to report and investigate any reported violations of this code of conduct or unethical or unlawful behaviour.

#### 2.2 While this code of conduct is designed to assist the Company delivering on its commitment to acting ethically and responsibly and to follow sustainable business practices, it does not create any rights in any Employee, client, customer, supplier, competitor, shareholder or any other person or entity.

### 3. Honesty and integrity

The Company expects Directors and Employees to:

- (a) observe the highest standards of honesty, integrity, fairness and ethical, responsible and law-abiding behaviour when:
  - (i) performing their duties; and

- (ii) dealing with any officer, Employee, shareholder, customer, supplier, auditor, lawyer and other adviser of the Group; and
- (b) foster a culture of honesty, integrity, fairness and ethical, responsible and law-abiding behaviour among other officers and Employees.

#### 4. **Conflicts of interest or duty**

4.1 Directors and Employees must be aware of potential conflicts between (directly or indirectly):

- (a) on the one hand:
  - (i) the interests of the Group; or
  - (ii) their duties to the Group; and
- (b) on the other hand:
  - (i) their personal or external business interests; or
  - (ii) their duties to any third party.

4.2 A conflict of interest exists where loyalties are divided. They may have a conflict of interest if, in the course of their employment or engagement with the Company:

- (a) any of their decisions lead to an improper gain or benefit to them or their associates; or
- (b) their personal interests, the interests of an associate or relative, or obligation to some other person or entity, conflict with their obligations to the Company.

4.3 Directors and Employees must avoid placing themselves in a position, entering into any arrangement or participating in any activity that may lead to:

- (a) an actual or a potential conflict of interest or duty;
- (b) a reasonable perception of an actual or potential conflict of interest or duty; or
- (c) a negative impact on the Group's reputation.

4.4 Directors and Employees must:

- (a) act in the best interests of the Company;
- (b) fully and frankly inform the Board of any personal or external business interest that may lead to:
  - (i) an actual or potential conflict of interest or duty; or
  - (ii) a reasonable perception of an actual or a potential conflict of interest of duty; and
- (c) obtain and follow independent legal advice to avoid or resolve any actual, potential or perceived conflict of interest or duty.

4.5 Each Director must:

- (a) recuse himself or herself when the Board considers any matter in which the Director has or may have a conflict of interest or duty; and
- (b) comply with the Companies Act and the Company's Constitution in relation to the disclosure of material personal interests and restrictions on voting by Directors.

4.6 Each non-executive Director must inform the chairperson of the Board of:

- (a) any existing directorship or other office held by the Director in another entity outside the Group; and
- (b) any proposed appointment as a director or employee of another entity outside the Group before accepting the appointment.

## 5. **Corporate opportunities**

- 5.1 Directors and Employees must not improperly use their position, property or information acquired through their position for personal gain or gain of an associate or to compete with or harm the Group.
- 5.2 Directors and Employees may not use the words 'CBL', 'CCL', 'CBL Insurance' or any other business name or trademark used by the Group for a personal or external business transaction.
- 5.3 Directors and Employees must keep their personal or external business dealings separate from the Group's business dealings.
- 5.4 Directors and Employees must only use goods, services and facilities received from the Group in accordance with the terms on which they are given.
- 5.5 Directors and Employees must not accept any improper gift from the Group's existing or potential customers or suppliers.

## 6. **Confidentiality**

- 6.1 Any information acquired by Directors or Employees while performing their duties is confidential information of the Group, its customers or suppliers and must be kept confidential. Directors must not disclose the information to a third party except where that disclosure is:
  - (a) authorised by the Board; or
  - (b) required by law or a regulatory body (including a relevant stock exchange).
- 6.2 The existence and details of any Board and Company management information, discussions, and decisions that are not publicly known and have not been approved by the Board for public release, are confidential information of the Group and subject to paragraph 6.1.
- 6.3 Directors' and Employees' obligations of confidentiality continue after they leave the Group.

## 7. **Fair dealing**

- 7.1 The Company expects Directors and Employees to:



- (a) deal fairly with any officer, Employee, shareholder, customer, supplier, competitor, auditor, lawyer or other adviser of the Group; and
  - (b) encourage other Employees and officers to do the same.
- 7.2 Directors and Employees must not take unfair advantage of any officer, Employee, customer, supplier, competitor, auditor, lawyer or other adviser of the Group through illegal conduct, manipulation, undue influence, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair dealing practice.
- 8. **Protection and proper use of assets**
  - 8.1 The Company expects Directors and Employees to use all reasonable endeavours to protect any Group asset and to ensure its efficient use.
  - 8.2 Directors and Employees may only use a Group asset (for example, a product, vehicle, computer or money) for legitimate business purposes or other purposes approved by the Board.
  - 8.3 Directors and Employees must immediately report any suspected fraud or theft of a Group asset for investigation.
- 9. **Privacy**
  - 9.1 The Company respects Directors' and Employees' privacy and the privacy of others. Directors and Employees should familiarise themselves with, and comply with:
    - (a) the privacy laws of Australia and New Zealand and, where applicable, the jurisdiction of their business unit; and
    - (b) the Company's privacy policies that detail the appropriate use of personal information.
  - 9.2 If Directors or Employees have any questions in relation to privacy, they should contact the Privacy Officer.
- 10. **Community, environment and politics**
  - 10.1 The Company is a responsible corporate citizen and actively supports the communities in which Directors and Employees live and work. Directors and Employees are expected to uphold the Company's commitment to pursue good corporate citizenship while engaging in its corporate activity.
  - 10.2 Directors and Employees must abide by all local laws and regulations, and are expected to respect and care for the environments in which the Company operates. The Company supports and encourages Directors and Employees to contribute actively to the needs of the community. If Directors or Employees wish to make such a contribution (such as donations or sponsorship) on behalf of the Company, they should consult the Human Resources Manager for approval.
  - 10.3 The Company is committed to doing business in an environmentally responsible manner and identifying environmental risks that may arise out of its operations. If Directors or Employees are aware of, or suspect, an action that is not environmentally responsible and/or in breach of the applicable laws and regulations, they should report the matter in accordance with this code of conduct.

- 10.4 Directors and Employees may voluntarily participate in the political process as individuals. However, they should not engage in actions that could cause someone to believe that their actions reflect the views or positions of the Company, if that is not the case.

## **11. Compliance with laws, regulations, policies and procedures**

Each Director and Employee must:

- (a) comply with the letter and spirit of any applicable law, rule or regulation;
- (b) comply with the protocols, policies and procedures of the Group, including its code of conduct;
- (c) not knowingly participate in any illegal or unethical activity; and
- (d) encourage other officers and Employees to do the same.

## **12. Reporting of unlawful and unethical behaviour**

12.1 The Company expects Directors and Employees to:

- (a) report promptly and in good faith any actual or suspected violation by an officer or Employee of the standards, requirements or expectations set out in this code of conduct; and
- (b) encourage other officers or Employees to do the same.

12.2 Directors and Employees may use their own judgement in deciding to whom to report any violation or behaviour referred to in paragraph 12.1, however:

- (a) Directors are encouraged to report to the chairperson of the Board or another Director; and
- (b) Employees are encouraged to report to their immediate supervisor, the Managing Director or the chairperson of the Board.

12.3 If Directors or Employees report, in good faith, any violation or behaviour referred to in paragraph 12.2, each Director and Employee must use their best endeavours so that:

- (a) the reporting person's position is protected;
- (b) the reporting person's identity is only disclosed with their consent, except where disclosure is required by law; and
- (c) no disciplinary, discriminatory or other adverse action is taken or tolerated against the reporting person for reporting the violation.

12.4 The reporting person is not, however, protected from civil or criminal liability for any of his or her conduct that may be revealed by the report. However, if a reporting person reports such conduct and actively cooperates in an investigation in which he or she may be implicated, there may be some cases where the fact that he or she has made a report will be taken into account as a mitigating factor when determining actions that may be taken against him or her.

12.5 Directors or Employees who receive a report of any violation or behaviour referred to in paragraph 12.2 must use their best endeavours so that:

- (a) the alleged violation or behaviour is thoroughly investigated;
- (b) rules of natural justice are observed in the investigation; and
- (c) appropriate disciplinary action is taken if the allegation is substantiated.

Last updated 4 September 2015

### 3. Audit and Financial Risk Committee Charter

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This Charter was approved by the Board on 4 September 2015.

#### 1. **Objective**

- 1.1 The Audit and Financial Risk Committee (the **Committee**) is appointed by the Board of the Company to assist the Board in discharging its oversight responsibilities. The Committee will oversee the financial reporting process to ensure the balance, transparency and integrity of published financial statements.
- 1.2 The objectives of the Audit and Financial Risk Committee are to assist the Board in fulfilling its responsibilities relating to risk management and internal control, financial reporting, legislative and NZX and ASX Listing Rule compliance, internal policies and industry standards, the external and internal audit functions, tax management, treasury management, and includes, among other things:
  - (a) promoting a culture of compliance;
  - (b) providing a forum for communication between the Board and Senior Management in relation to audit and compliance matters affecting the Company; and
  - (c) reviewing and commenting on Senior Management's plans for managing the material financial and reporting risks faced by the Company.
- 1.3 The Committee will also review the following:
  - (a) the effectiveness of the Company's internal control and risk management system;
  - (b) the integrity and effectiveness of the internal and external audit functions;
  - (c) the integrity and effectiveness of the financial management processes and systems;
  - (d) the independent audit process, including recommending the appointment and assessing the performance of the external auditor;
  - (e) the Company's process for monitoring compliance with laws, regulations, the NZX and ASX Listing Rules, internal standards (including the code of business conduct), policies and expectations of key stakeholders, including customers and employees;
  - (f) the relationship and interaction with institutional investors and other shareholders; and
  - (g) in performing its duties, the Committee will maintain effective working relationships with the Board, management, and external and internal auditors. To perform their role effectively, each Committee member must develop and maintain their skills and knowledge, including an understanding of the Committee's responsibilities and of the Company's business, operations and risks.

## **2. Authority**

- 2.1 The Board authorises the Committee, within the scope of its role and responsibilities, to:
- (a) perform its activities in accordance with this Charter (having regard to the Risk Management Policy);
  - (b) have unrestricted access to members of management, employees and relevant information;
  - (c) discuss any matters with the internal auditor, external auditor, or other external parties (subject to confidentiality considerations);
  - (d) request the attendance of any employee, including the Company's Managing Director and CFO at Committee meetings as appropriate;
  - (e) obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the Company's expense;
  - (f) establish procedures for dealing with concerns of employees regarding accounting, internal controls or auditing matters;
  - (g) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
  - (h) be directly responsible for the appointment, compensation, retention and oversight of the work of the external auditor; and
  - (i) approve all audit engagement fees and terms, as well as reviewing policies for the provision of non-audit services by the external auditor (including the framework for pre-approval of any such services).

## **3. Composition and Tenure**

- 3.1 The Board will nominate the Committee members and the Chair of the Committee.
- 3.2 The Committee will consist of at least 3 members, all of whom will be non-executive Directors, and a majority of whom must be 'independent' Directors. The Chair of the Committee must be an Independent Director, who is not the chair of the Board.
- 3.3 The Managing Director and the CFO will not be members of the Committee but are invited to attend all meetings of the Committee. The other Directors will not be members of the Committee, but may attend meetings as observers.
- 3.4 Each member of the Committee should have the skills and experience appropriate to the Company's business. At least 1 member must have accounting or related financial expertise.
- 3.5 Membership of the Committee will be reviewed annually by the Board and membership on the Committee will be for rolling 12 month terms, which will be staggered so as not more than 1 member is ever expiring at the same time. Initial terms for members will be set by the Board in its discretion. The Board may add, remove and/or replace any member of the Committee at any time during those terms.
- 3.6 The Company will disclose on its website, the Charter of the Committee and in each annual report, the relevant qualifications and experience of the members of the

Committee and in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings.

- 3.7 The secretary of the Committee will be appointed by the Board (**Secretary**).

#### **4. Meetings**

- 4.1 A quorum of any meeting will consist of a majority of Committee members, meaning at least half of the total number of Committee members must be present at the meeting.
- 4.2 All Board members are entitled to attend meetings. The Committee may invite other people (such as the Managing Director, CFO and external audit engagement partner) to attend meetings as the Committee considers necessary.
- 4.3 External and internal auditors should be invited to make presentations to the Committee as appropriate.
- 4.4 Meetings will be held at least 4 times a year, and should correspond with the Company's financial reporting cycle. Special meetings may be convened as required. The Secretary will convene a meeting on request by the external or internal auditor.
- 4.5 The Secretary will circulate the agenda and supporting documents to Committee members within a reasonable time before each meeting. The Secretary will also circulate the minutes of meetings to the Board, members of the Committee, and the external auditor where appropriate.
- 4.6 As a minimum, the Chair of the Committee (or other Committee member) will attend the Board meeting at which the financial statements are approved.
- 4.7 Members of the Committee are expected to attend every meeting of the Committee.
- 4.8 The Committee should meet regularly with external legal counsel if considered necessary.
- 4.9 The Committee will meet with the external auditor at least once a year without management present.
- 4.10 Meetings can be held in person, by telephone, or by video conference.

#### **5. Role and Responsibilities**

- 5.1 The Audit and Financial Risk Committee does not remove from the full Board any of its responsibilities and legal obligations. Rather it is a committee established to assist the Board in the conduct of its responsibilities and will report back to the full Board on all material matters and issues requiring decisions in principle.
- 5.2 The Committee is directly responsible and accountable to the Board for the exercise of its responsibilities.

#### **Risk Management and Internal Control**

- 5.3 The Committee's responsibilities are to:
- (a) evaluate whether management is setting the appropriate "control culture" by communicating the importance of internal control and management of risk;

- (b) see that management has appropriate processes for identifying, assessing and responding to risks in a manner that is in accordance with the organisation's risk appetite, and that those processes are operating effectively;
- (c) understand the internal control systems implemented by management for the approval of transactions and the recording and processing of financial data;
- (d) understand the controls and processes implemented by management to see that the financial statements derive from the underlying financial systems, comply with relevant standards and requirements, and are subject to appropriate management review;
- (e) evaluate the overall effectiveness of the internal control and risk management frameworks, including the risk of fraud, and consider whether management has implemented recommendations made by internal and external auditors;
- (f) review and/or evaluate (1) the effectiveness of the Company's risk management and internal control processes; and (2) the Company's risk management plan framework at least annually to satisfy itself that it continues to be sound, and seeing that the Company discloses in relation to each reporting period whether such a review has taken place, as well as any insights gained and any changes made to the risk management framework as a result;
- (g) see that the Company discloses whether, and if so how, it has regard to, and manages, economic, environmental and social sustainability risks; and
- (h) consider how management is held to account for the security of computer systems and applications, and the contingency plans for processing financial information in the event of a system breakdown or to protect against computer fraud or misuse.

#### Financial reporting

##### 5.4 The Committee's responsibilities are to:

- (a) gain an understanding of the current areas of greatest financial risk and how these are being managed;
- (b) review significant accounting and reporting issues, including recent professional and regulatory announcements, and understand their impact on financial reports;
- (c) oversee the periodic financial reporting process implemented by management and review the interim financial statements, annual financial statements and preliminary announcements before their release;
- (d) review management's process to require that information contained in analyst briefings and press announcements is consistent with published financial information, and is balanced and transparent, particularly regarding GAAP vs. non-GAAP data;
- (e) meet with management and the external auditor to review financial statements, key accounting policies and decisions, related party transactions and the results of the audit;
- (f) see that significant adjustments, unadjusted differences, disagreements with management and critical accounting policies and practice are discussed with external auditors;

- (g) assess the appropriateness of any significant accounting estimates, judgements or choices in the financial reports of the Company;
- (h) request and consider a written statement, signed by the Managing Director and the CFO, that in their opinion the Company's financial reports give a true and fair view, in all material respects, of the Company's financial position and performance and comply in all material respects with relevant accounting standards. The statement will also confirm that the Company's financial statements are founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks; and
- (i) review the other sections of the annual report before its release and consider whether the information is understandable and consistent with Committee members' knowledge about the Company and its operations, and lacks bias.

#### Legislative and NZX and ASX compliance, internal policies and industry standards

##### 5.5 The Committee's responsibilities are to:

- (a) review the effectiveness of the system for monitoring the Company's compliance with relevant laws, regulations, NZX Listing Rules, ASX Listing Rules, NZX and ASX Policies and Guidelines, internal policies and industry standards, and the results of any management investigations or follow-ups (including disciplinary action) or fraudulent acts or non-compliance;
- (b) obtain regular updates from management about compliance matters that may have a material impact on the Company's financial statements, strategy, operations or reputation;
- (c) be satisfied that all regulatory compliance matters related to the business of the Company have been considered in the preparation of the financial statements;
- (d) review the findings of any examinations by regulators;
- (e) approve and review policies, processes and frameworks for identifying, analysing and addressing complaints (including whistleblowing) and review material complaints and their resolution; and
- (f) reviewing the Company's financial risk management procedures to assist the Company to comply with its legal obligations, including to assist the Managing Director or CFO to provide declarations in relation to each of the Company's financial reports required by Recommendation 4.2 of the ASX Corporate Governance Principles and Recommendations (3rd edition).

#### External audit

##### 5.6 The Committee's responsibilities are to:

- (a) review the professional qualification of the external auditor and ensure the external auditor and audit partner hold current auditor licences with the Financial Markets Authority (including background and experience of partner and auditing personnel);
- (b) consider the independence of the external auditor and any potential conflicts of interest;



- (c) review on an annual basis the performance of the external auditor and make recommendations to the Board for the appointment, reappointment or termination of the appointment of the external auditor, including ensuring that the audit partner is changed at least every five years;
- (d) review the external auditor's proposed audit scope and approach for the current year in light of the Company's circumstances and changes in regulatory and other requirements;
- (e) discuss with the external auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information;
- (f) ensure that significant findings and recommendations made by the external auditor and management's proposed response are received, discussed and acted on appropriately;
- (g) discuss with the external auditor the appropriateness of the accounting policies applied in the Company's financial reports and whether they are considered to be aggressive, balanced or conservative;
- (h) meet separately with the external auditor at least once a year to discuss any matters that the Committee or auditor believes should be discussed privately;
- (i) ensure that the external auditor has access to the Chair of the Committee when required;
- (j) review policies for the provision of non-audit services by the external auditor and, where applicable, the framework for pre-approval of audit and non-audit services;
- (k) require that the external auditor attends the annual meeting of the Company and is available to answer questions from shareholders of the Company relevant to the audit; and
- (l) see that the Company has appropriate policies for hiring audit firm personnel for senior positions.

### Internal Audit

#### 5.7 The Committee's responsibilities are to:

- (a) review the activities, resources and organisational structure of the internal audit function, see that there are no unjustified restrictions or limitations and review the role it performs;
- (b) participate in the appointment, promotion or dismissal of the internal audit head, if applicable, and discuss with the external auditor the standard of work of internal audit staff;
- (c) review the effectiveness of the internal audit function and aim to give it appropriate standing within the Company;
- (d) meet separately with the head of internal audit, if applicable, to discuss matters that the Committee or internal auditor believe should be discussed privately. See that a direct reporting line between the head of internal audit and the Committee is established;

- (e) see that significant findings and recommendations made by the internal audits and management's proposed response are received, discussed and appropriately acted on; and
- (f) review the proposed internal audit plan for the coming year and see that it addresses key areas of risk and that there is appropriate co-ordination with the external auditor.

#### Tax management

5.8 The Committee's responsibilities are to:

- (a) see management has in place and is implementing an effective tax strategy, which consists of a tax policy and tax management plan;
- (b) see that the Company pays the correct amount of tax within the framework of prudent tax management;
- (c) see that the Company has in place and operates systems to ensure it meets all tax compliance responsibilities, and observes all applicable laws and regulations;
- (d) see that the Company accurately reports tax matters and their impact within the financial statements and internal management reports of the Company;
- (e) aim to achieve an optimal and efficient legal structure for the Company and its related entities from a tax perspective; and
- (f) confirm any material tax matters, issues, questions or concerns with external advisers or government representatives as required.

#### Treasury Management

5.9 The Committee's responsibilities are to:

- (a) see that management has in place and is implementing an effective treasury management policy that effectively minimises and manages treasury risk;
- (b) see that the Company is operating within its banking covenants (if any), and manages and monitors any exceptions (and the applicable consenting process with the banks); and
- (c) see that the Company has in place systems to regularly monitor, manage and report on all material treasury aspects to the Committee.

### **6. Reporting**

- 6.1 The Committee will regularly update the Board on its operation and activities during the year and make appropriate recommendations. The Committee will ensure the Board is aware of matters that may significantly affect the financial condition or affairs of the Company.
- 6.2 The Committee will prepare any reports required by law or regulations, the NZX Listing Rules, the ASX Listing Rules or requested by the Board, such as a report on the Committee's activities and duties to be included in the section on corporate governance in the annual report.

## **7. Administrative arrangements**

### Conflicts of interest

- 7.1 Once a year, Committee members will provide written declarations to the Chair of the Board stating that they do not have any conflicts of interest that would preclude them from being members of the Committee.
- 7.2 Committee members must in addition declare any conflicts of interest at the start of each Committee meeting or before discussion of the relevant agenda item or topic. Details of any conflicts of interest should be appropriately recorded in the minutes.
- 7.3 Where any member is deemed to have a real, or perceived, conflict of interest at a Committee meeting, it may be appropriate that they are excused from Committee deliberations on the issue where the conflict of interest exists.

### Induction

- 7.4 New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

### Assessment Arrangements

- 7.5 The Committee will evaluate its own performance and that of individual members and collectively, on a regular basis. The assessment will focus on the achievement of the duties set out in this Charter, and the Committee will report the findings to the Board.

### Review of Charter

- 7.6 At least once a year, the Committee will review its performance against this Charter, as well as the appropriateness of the Charter itself. This review will include consultation with the Board.
- 7.7 Any substantive changes to the Charter will be recommended by the Committee and formally approved by the Board.

Last updated 4 September 2015

## SCHEDULE

### CBL CORPORATION LIMITED AUDIT AND FINANCIAL RISK COMMITTEE

#### Annual Work Plan

***Note: To be discussed and agreed by the Audit and Financial Risk Committee.***

1. Half-Year
  - (a) Half-year accounting issues and risks
  - (b) Half-year accounts and supporting schedules
  - (c) Banking covenants
  - (d) Areas of judgement
  - (e) Legal and regulatory review
  - (f) Non-audit fees
  - (g) Management and Directors representation letter
  - (h) Internal Audit
  - (i) External audit plan and budget
  - (j) External auditor's reports
  - (k) Actuarial and regulatory capital returns
2. Full-Year
  - (a) Full-year accounting issues and risks
  - (b) Full-year financial statements and supporting schedules
  - (c) Banking covenants
  - (d) Areas of judgement
  - (e) Legal and regulatory review
  - (f) Non-audit fees
  - (g) Management and Directors' representation letter
  - (h) Internal Audit
  - (i) External audit report and opinion
  - (j) Actuarial and regulatory capital returns

- 3. Other
  - (a) Insurance renewal
  - (b) Treasury review
  - (c) Committee Performance review
  - (d) Board Charter and Policy updates
  - (e) Business Risk & Continuity Review

## 4. Governance and Remuneration Committee Charter

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This Charter was approved by the Board on 4 September 2015.

### 1. Objective

- 1.1 The objectives of the Governance and Remuneration Committee (the **Committee**) are to:
- (a) establish a clear framework for oversight and management of the Company's remuneration structures, policies, procedures and practices;
  - (b) consider and recommend new appointments to the Board and oversee management succession planning;
  - (c) fairly and responsibly reward Directors and Senior Management and other employees of the Company having regard to the performance of the Company, the performance of these officers and employees and the general external pay environment; and
  - (d) see the Company and the Board have in place and adhere to policies, procedures and practices to ensure compliance with all laws, rules and regulations applicable to the Company and the Directors, including the Companies Act, the Constitution, the NZX Listing Rules, the ASX Listing Rules and the Board Charter.
- 1.2 Director and Senior Management remuneration and incentive policies and practices must be performance-based and aligned with the Company's vision, values and overall business objectives.

### 2. Authority

- 2.1 The Board authorises the Committee, within the scope of its role and responsibilities, to:
- (a) perform its activities in accordance with this Charter;
  - (b) see that the Company achieves and fulfils the role of a good employer, through the establishment of effective policies and procedures to achieve a skilled and motivated workforce to enable the Company to attract, develop and retain people at all levels of the Company's business;
  - (c) define the respective roles and responsibilities of the Board and Senior Management (in accordance with the Board Charter and the Constitution of the Company);
  - (d) procure the on-going development of governance structures, policies, procedures, practices and capability;
  - (e) see that the Company and the Board have in place and adhere to policies, procedures and practices to ensure compliance with all laws, rules, regulations and guidelines applicable to the Company and the Board, including the Companies Act, the Constitution, the NZX Listing Rules, the ASX Listing Rules, (the *ASX Corporate Governance Principles and Recommendations (3rd edition)*) and the Board Charter;

- (f) see there are in place proper procedures for dealing with concerns of employees, complaints, performance and disciplinary matters;
- (g) procure there are adequate on-going training, development and support programmes for employees;
- (h) request the attendance of any Company employee, including the Managing Director, at Committee meetings; and
- (i) obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the Company's expense.

### 3. **Composition and tenure**

- 3.1 The Committee will consist of at least 3 members (a majority of whom will be 'independent' Directors). The Board will appoint the Chair of the Committee, who should be an independent Director. In addition, if at any time the Company is a constituent of the S&P/ASX 300 Index, the Board will ensure that the Committee is comprised of only non-executive Directors.
- 3.2 The Company will disclose on the Company's website, the charter of the Committee and in each annual report, the members of the Committee, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings.
- 3.3 Any Company employee, as nominated by the Managing Director and approved by the Chair of the Committee, will act as secretary to the Committee (**Secretary**).
- 3.4 The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Company. At least one member of the Committee should have listed company experience with an understanding of applicable board responsibilities.
- 3.5 Membership of the Committee will be reviewed annually by the Board and membership on the Committee will be for rolling 12 month terms. Initial terms for members will be set by the Board in its discretion. The Board may add, remove and/or replace any member of the Committee at any time during those terms.

### 4. **Meetings**

- 4.1 Members of the Committee are expected to attend every meeting of the Committee.
- 4.2 A quorum will consist of a majority of Committee members, meaning at least half of the total number of Committee members must be present at the meeting.
- 4.3 All Board members are entitled to attend meetings. The Human Resources Manager may be invited to attend each meeting (as required). The Committee may invite other people (such as the Managing Director, CFO and the other Directors) to attend meetings or participate in certain agenda items as the Committee considers necessary. In particular, the Managing Director may be invited to attend Committee meetings to participate in specific discussions or provide strategic briefings to the Committee.
- 4.4 Directors who are not members of the Committee may only attend Committee meetings with the permission of the Chair of the Committee.
- 4.5 The Committee will meet as scheduled from time to time, or at any time where there are issues or matters requiring urgent attention.

- 4.6 The Chair is required to call a meeting if requested to do so by the Board or another Committee member.
- 4.7 The Secretary will circulate the agenda and supporting documents to Committee members within a reasonable time before each meeting. The Secretary shall also keep minutes of the Committee's meetings which shall be circulated to all Directors and to the external auditors.
- 4.8 Minutes must be approved by the Chair and circulated promptly after the meeting to each member of the Committee, the Board and any observers present at the meeting.
- 4.9 Meetings can be held in person, by telephone, or by video conference.

## **5. Role and responsibilities**

- 5.1 The Committee does not remove from the full Board any of its responsibilities and legal obligations. Rather it is a committee established to assist the Board in the conduct of its responsibilities and will report back to the full Board on all material matters and issues requiring decisions in principle.
- 5.2 The Committee is directly responsible and accountable to the Board for the exercise of its responsibilities.
- 5.3 The Committee assists the Board in fulfilling its responsibility for oversight and management of the Company's governance and remuneration structures, policies, procedures and practices. The Committee also assists the Company and the Board in ensuring that there are policies, procedures and practices that are in place and adhered to, to ensure compliance with all laws, rules and regulations applicable to the Company and the Directors, including the Companies Act, the Constitution, the NZX Listing Rules, the ASX Listing Rules and the Board Charter.
- 5.4 The Committee may also have such other duties as may from time to time be assigned to it by the Board.
- 5.5 The Committee is not responsible in any way for hiring or employing any officers or employees of the Company. This is the responsibility of management.
- 5.6 The responsibilities of the Committee may be revised or expanded in consultation with, or as requested by, the Board from time to time.

## **6. Governance**

- 6.1 The Committee's responsibilities are to:
- (a) develop and amend the Company's corporate governance principles and protocols and making recommendations to the Board based on such review;
  - (b) establish an overall Code of Conduct; and
  - (c) identify and recommend governance training for Directors and management.

## **7. Human Resources**

- 7.1 The Committee's responsibilities are to establish and review the overall human resources strategy, policies and procedures and monitor their implementation.



## **8. Senior Management**

### **8.1 The Committee's responsibilities are to:**

- (a) review candidates to be appointed to the position of Managing Director, with the ultimate selection to be made by the full Board;
- (b) set the remuneration and compensation for the Managing Director;
- (c) set key performance objectives for the Managing Director, and review and evaluate the performance of the Managing Director against those objectives;
- (d) establish principles for employment agreement structures for the Company and review employment agreements for the Managing Director and Senior Management;
- (e) oversee compensation and performance management for Senior Management;
- (f) approve the Managing Director's recommendations regarding compensation for Senior Management;
- (g) approve the Managing Director's recommendations on the performance of members of Senior Management; and
- (h) undertake succession planning processes for positions within Senior Management and other critical positions.

## **9. Board of Directors**

### **9.1 The Committee's responsibilities are to consider and recommend new appointments to the Board.**

### **9.2 The Committee will endeavour to achieve that the Board is in compliance with the Constitution, the Companies Act, the NZX Listing Rules, the ASX Listing Rules and the Board Charter.**

### **9.3 The Committee will assist the Board to put in place processes to review the performance of the Board and individual Directors on a regular basis (at least every two years).**

## **10. Remuneration**

### Company

### **10.1 The Committee's responsibilities are to:**

- (a) review the Company's strategic remuneration policy; and
- (b) review and agree the policy and principles that govern the periodic and structural remuneration adjustments for the Company's employees.

### Board

### **10.2 The Committee's responsibilities are to:**

- (a) review the structure of remuneration for the Chair of the Board, Chairs of Board Committees and non-executive Directors; and

- (b) review non-executive Directors' remuneration having regard to any relevant factors and recommending to the Board changes to non-executive Director remuneration, such changes to be subject to shareholder approval, as appropriate;

#### Board and Senior Management

#### 10.3 The Committee's responsibilities are:

- (a) reviewing and approving Board, Director, and Senior Management remuneration and incentive policies and practices in line with relevant legislation and corporate governance principles relating to remuneration practices and employment policies, including the process by which any pool of Directors' fees approved by shareholders is allocated to Directors;
- (b) considering and approving each executive Director's total remuneration having regard to executive remuneration and incentive policies;
- (c) determining if shareholder approval is required for any change to the remuneration of Directors or Senior Management;
- (d) reviewing and approving on behalf of the Board any report on executive remuneration that may be required and reporting to the Board as appropriate;
- (e) reviewing and approving and keeping under review the performance hurdles for an executive incentive plan;
- (f) reviewing superannuation arrangements for Directors, Senior Management and other employees;
- (g) overseeing that if the Company has an equity incentive plan, the Company:
  - (i) has a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) that limit the economic risk of participating in the scheme; and
  - (ii) discloses that policy or a summary of it;
- (h) requiring that the Company discloses its policies and practices regarding the remuneration of Directors and Senior Management; and
- (i) conduct an annual audit to endeavor to achieve that remuneration practices are consistent with the Board policy, the Board Charter, the Constitution and remain aligned to best practice for organisations similar to the Company.

#### 11. **Remuneration packages**

11.1 Remuneration may incorporate fixed and variable components with both a short-term and long-term focus.

11.2 In respect of executive remuneration, remuneration packages should include an appropriate balance of fixed and performance-based remuneration and may contain any or all of the following:

- (a) **fixed remuneration** – this should:
  - (i) be reasonable and fair;

- (ii) take into account the Company's legal and industrial obligations and labour market conditions;
  - (iii) be relative to the scale of the Company's business; and
  - (iv) reflect core performance requirements and expectations;
- (b) **performance-based remuneration** – this should:
  - (i) take into account individual and corporate performance; and
  - (ii) be linked to clearly-specified performance targets, which should be:
    - (A) aligned to the Company's short and long-term performance objectives; and
    - (B) appropriate to its circumstances, goals and risk appetite;
- (c) **equity-based remuneration** – this can include options or performance shares and is especially effective when linked to hurdles that are aligned to the Company's longer-term performance objectives. However, they should be designed so that they do not lead to 'short-termism' on the part of Senior Management (including executive Directors) or the taking of undue risks; and
- (d) **termination payments** – subject to all applicable laws and listing rules, these should be agreed in advance to the extent practicable, and any agreement should clearly address to the extent reasonably foreseeable what will happen in the case of early termination. There should be no payment for removal for misconduct.

11.3 In respect of non-executive Director remuneration, remuneration packages could contain cash fees, superannuation contributions and non-cash benefits in lieu of fees (such as salary sacrifice into superannuation or equity) and may contain any or all of the following:

- (a) **fixed remuneration** – this should reflect the time commitment and responsibilities of the role;
- (b) **performance-based remuneration** – non-executive Directors should not receive performance-based remuneration as it may lead to bias in their decision-making and compromise their independence;
- (c) **equity-based remuneration** – non-executive Directors can receive an initial allocation of fully-paid ordinary securities if shareholders have approved such an allocation in accordance with the ASX Listing Rules and, to the extent required, the NZX Listing Rules. However, non-executive Directors generally should not receive options or performance shares as part of their remuneration as it may lead to bias in their decision-making and compromise their independence; and
- (d) **termination payments** – non-executive Directors should not be provided with retirement benefits other than superannuation.

11.4 Remuneration will be reviewed on at least an annual basis with consideration given to individuals' performance and their contribution to the Company's success (against measurable key performance indicators), external market relativities, shareholders' interests and desired market positioning.

## **12. Legislative and NZX / ASX compliance**

- 12.1 The Committee's responsibilities are to require that the Company and the Board put in place the following:
- (a) Code of Conduct;
  - (b) Conflicts of Interest Policy;
  - (c) Securities Trading Policy and Guidelines;
  - (d) Continuous Disclosure Policy;
  - (e) Shareholder Communications Policy; and
  - (f) Diversity Policy.
- 12.2 The Committee will require that the Board has in place policies to ensure that the Board and the Company will abide by the laws, rules and regulations applicable to the Company and the Directors, including the Companies Act, the Constitution, the NZX Listing Rules, the ASX Listing Rules, the Board Charter and will comply with all statutory and internal disclosure requirements on a timely basis.
- 12.3 The Committee will require that there is an Audit and Financial Risk Committee established by the Board and that it is operating effectively.
- 12.4 The Committee will see the Company puts in place and monitors policies to ensure compliance with all employment and workplace laws, regulation, industry standards and procedures. This includes, in New Zealand, the Employment Relations Act, Health and Safety in Employment Act, Parental Leave and Employment Protection Act, ACC requirements and procedures, Privacy Act and Protected Disclosures Act and certain sections of the Australian Corporations Act 2001 applicable to the Company.
- 12.5 The Committee will see the Company and the Board has in place procedures to deal with complaints from staff and third parties (including whistleblowing protections), addressing concerns over financial controls, improper behaviour (including sexual harassment, workplace bullying and discrimination), health and safety, misuse of Company property, abuse of position or any other activity, problems or issues relating to the affairs of the Company, staff, Directors, customers or suppliers.

## **13. Responsibilities of Committee members**

- 13.1 Members of the Committee are expected to:
- (a) contribute the time needed to study and understand the papers provided;
  - (b) apply good analytical skills, objectivity, and good judgement;
  - (c) act in good faith and in what they believe is in the best interests of the Company; and
  - (d) express opinions frankly, ask questions that go to the core of the issue, and pursue independent lines of enquiry.

## **14. Reporting**

- 14.1 The Committee will regularly, but at least once a year, report to the Board on its operation and activities during the year.
- 14.2 The report should include a summary of the work the Committee performed to fully discharge its responsibilities during the preceding year.
- 14.3 The Committee will report to the Managing Director or the Board at the next appropriate opportunity on any substantive matters raised and addressed by the Committee. In addition, at any time an individual Committee member may request a meeting with the Managing Director or the Board.

## **15. Administrative arrangements**

### Conflicts of interest

- 15.1 Once a year, Committee members will provide written declarations to the Chair of the Board stating they do not have any conflicts of interest that would preclude them from being members of the Committee.
- 15.2 Committee members must in addition declare any conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic. Details of any conflicts of interest should be appropriately recorded in the minutes.
- 15.3 Where any member is deemed to have a real, or perceived, conflict of interest at a Committee meeting, it may be appropriate that they are excused from Committee deliberations on the issue where the conflict of interest exists.

### Induction

- 15.4 New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

### Assessment arrangements

- 15.5 The Committee will evaluate its own performance and that of individual members and collectively, on a regular basis. The assessment will focus on the achievement of the duties set out in this Charter, and the Committee will report the findings to the Board.

### Access to information and independent advice

- 15.6 The Committee may seek any information that it considers necessary to fulfil its responsibilities.
- 15.7 The Committee has access to Senior Management to seek explanations and information from those employees at the Company's expense.
- 15.8 The Committee may seek independent professional advice from appropriate external advisers at the Company's expense. The Committee may meet with those external advisers without Senior Management being present.

### Review of Charter

- 15.9 At least once a year, the Committee will review its performance against this Charter, as well as the appropriateness of the Charter itself. This review will include consultation with the Board.
- 15.10 Any substantive changes to the Charter will be recommended by the Committee to the Board for the Board's consideration and approval.

Last updated 4 September 2015

## SCHEDULE

### CBL CORPORATION LIMITED GOVERNANCE AND REMUNERATION COMMITTEE

#### Annual Work Plan

***Note: To be discussed and agreed by the Governance and Remuneration Committee***

1. Governance
  - (a) Corporate governance structure and principles
  - (b) Review of Code of Conduct
  - (c) Governance training for Directors and Senior Management
  - (d) Compliance with Constitution, NZX Listing Rules, ASX Listing Rules, Board Charter and other applicable laws
  - (e) HR strategies, policies and procedures
2. Remuneration
  - (a) Review strategic remuneration policy
  - (b) Review remuneration packages
3. Nominations
  - (a) Senior Management appointments and performance objectives
  - (b) Board appointments and performance
  - (c) Committee appointments

## 5. Continuous Disclosure Policy

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This Policy was approved by the Board on 4 September 2015.

### 1. Introduction and purpose

- 1.1 As part of the Company's obligations as a publicly listed company, we need to be sure that we comply at all times with the NZX Listing Rules and ASX Listing Rules relating to continuous disclosure.
- 1.2 This Policy is part of that commitment, and sets out our commitment to complying with the NZX Listing Rules, the ASX Listing Rules and all other applicable law. This Policy should be read together with the obligations outlined in the NZX Listing Rules, ASX Listing Rules and other applicable law.
- 1.3 In particular this policy sets out our obligations in relation to disclosure of material information to the market. In preparing this Policy regard has also been had to the NZX Guidance Note on Continuous Disclosure, the ASIC Regulatory Guide 62 titled "Better Disclosure For Investors", ASX Guidance Note 8 titled "Continuous Disclosure: Listing Rules 3.1 – 3.1B" and the Corporate Governance Principles and Recommendations (3<sup>rd</sup> edition) published by the ASX Corporate Governance Council.
- 1.4 The objective of this Policy is to see that the Company immediately discloses all material information (defined below) to NZX and ASX in accordance with this Policy, NZX Listing Rule 10.1.1 and ASX Listing Rule 3.1 and that its disclosure is factual, complete, balanced and expressed in a clear manner that allows an investor to assess the impact of the information when making an investment decision.
- 1.5 Where there is a conflict between the continuous disclosure regimes applicable to the Company, the Company will comply with the more strict or onerous requirement of those regimes. To the extent there is any change in applicable Listing Rules or law that is not detailed in this Policy, the Company will comply with the applicable Listing Rules or law notwithstanding the content of this Policy.
- 1.6 The Company need to endeavour to achieve that all staff understand and comply with the obligations contained in this Policy, the NZX Listing Rules, the ASX Listing Rules and other applicable law.

### 2. Commitment to continuous disclosure

- 2.1 We are committed to ensuring:
  - (a) that shareholders and the market are provided with complete and timely information about the activities of our business;
  - (b) compliance with all relevant general and continuous disclosure requirements outlined in the NZX Listing Rules, ASX Listing Rules, the Companies Act, the Financial Markets Conduct Act 2013, the Financial Markets Authority guidelines and section 674 of the Australian Corporations Act 2001; and
  - (c) that all market participants have equal opportunities to view and act on information disclosed by the Company.



3. **Material information (NZX Listing Rule 10.1.1 and ASX Listing Rule 3.1)**

3.1 The Company's Managing Director and the CFO must be informed of any potential material information or proposal immediately after any officer of the Company or any member of Senior Management becomes aware of that information or proposal (**Disclosure Information**).

3.2 Information is “**material**” if a reasonable person would expect, if it were generally available to the market, that it would have a material effect on the price of the Company's shares, and it relates to particular securities, a particular issuer, or particular issuers, rather than to securities generally or issuers generally.

3.3 “**Aware**” is defined in NZX Listing Rule 10.1.1 as:

*“an Issuer is aware of information if a Director or an executive officer of the Issuer... has come into possession of the information in the course of his or her duties as a Director or executive officer”.*

3.4 In relation to ASX Listing Rule 3.1, information would have a material effect on price or value if a reasonable person would be taken to expect that information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell, the securities.

3.5 “**Aware**” is defined in Chapter 19 of the ASX Listing Rules as:

*“an entity becomes aware of information if, and as soon as, an officer of the entity... has or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”.*

3.6 Material information need not be disclosed if (NZX Listing Rule 10.1.1(a) and ASX Listing Rule 3.1A):

- (a) a reasonable person would not expect the information to be disclosed; **and**
- (b) the information is confidential; and its confidentiality is maintained (and ASX has not formed the view that the information has ceased to be confidential); **and**
- (c) one or more of the following applies:
  - (i) the release of the information would be a breach of law;
  - (ii) the information concerns an incomplete proposal or negotiation;
  - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (iv) the information is generated for the internal management purposes of the Company or its subsidiaries; or
  - (v) the information is a trade secret.

3.7 Decisions on what information is Disclosure Information will be made by a committee appointed by the Board (**Disclosure Committee**) as outlined below.

3.8 Note that:

- (a) material information must be immediately disclosed unless each of the “limbs” of the disclosure exception are satisfied; and
- (b) the disclosure obligation “resurrects” once one or more of the limbs of the exception are no longer fulfilled.

3.9 Under NZX Listing Rule 10.1.1 and ASX Listing Rule 3.1, the Company must, following a decision of the Disclosure Committee, immediately notify the market, via an announcement to NZX and ASX of any information concerning the Company that the Disclosure Committee believes is Disclosure Information. NZX has taken the view that “immediately” means “promptly and without delay”.

3.10 The Company must not, under any circumstances, disclose material information to any person not bound by obligations of confidentiality prior to the Company releasing the information to the NZX and ASX. If unreleased material information is unintentionally communicated by the Company or any staff member, in any forum, the CFO must be advised immediately so that following a decision of the Disclosure Committee the market can be informed.

#### 4. Examples of Material Information

4.1 For the purposes of this Policy, the following information is likely to be “**material information**” (as set out in NZX Listing Rule 10.1.1 and as further defined below):

- (a) the development and launch of a significant new product or process;
- (b) reaching an agreement with a significant new customer or supplier, deciding on a new area of business or major expansion or renewal of business with existing customers or suppliers;
- (c) any significant government or regulatory changes, issues, complaints or problems affecting or notified to the Company or impacting on our business or operations;
- (d) a significant risk or default of a supplier or major customer, or any major impact on our sales or production forecasts (adverse or advantageous);
- (e) deciding to open a new facility or office;
- (f) a major or significant quality issue, health and safety, or environmental event affecting us or our products;
- (g) a material change in the Company’s financial forecast or expectation;
- (h) any serious financial event (such as the appointment of a receiver, manager or liquidator) of the Company or any of its subsidiaries;
- (i) a transaction where the consideration payable or receivable by the Company is equal to a significant proportion of the Company’s assets (i.e. 5% or more of the written-down value of the Company’s consolidated assets). A transaction with a lower value could be significant in a particular case;
- (j) a recommendation or declaration about whether or not to declare a dividend or distribution;
- (k) under-subscription or over-subscription to an issue of shares of the Company;

- (l) major changes in the Company shareholding or shares held by the Company (5% or more), or giving or receiving a notice of intention to make a takeover bid;
- (m) a copy of a document containing market-sensitive information that the Company lodges with an overseas stock exchange or other regulator which is available to the public;
- (n) any proposed material change in the general nature of the business of the Company or our group;
- (o) any change in Senior Management personnel;
- (p) buying or selling assets where the gross value or consideration paid or received represents more than 10% of the average market capitalisation of the Company; and
- (q) any agreement between the Company (or a subsidiary) and a Director (or an associated person of the Director).

4.2 For the purposes of this Policy, the following information is likely to be “**material price-sensitive information**” (also referred to in this Policy as “**material information**”) (as set out in ASX Listing Rule 3.1):

- (a) a transaction that will lead to a significant change in the nature or scale of the Company's activities;
- (b) a material acquisition or disposal;
- (c) the fact that the Company's earnings will be materially different from market expectations;
- (d) the granting or withdrawal of a material licence;
- (e) an entry into, variation or termination of a material agreement;
- (f) giving or receiving a notice of intention to make a takeover;
- (g) any rating applied by a rating agency to the Company or the Company's securities and any change to such a rating;
- (h) becoming a plaintiff or defendant in a material law suit;
- (i) the appointment of a liquidator, administrator or receiver;
- (j) the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility; and
- (k) undersubscriptions or oversubscriptions to an issue of securities (a proposed issue of securities is separately notifiable to ASX under Listing Rule 3.10.3).

4.3 There are many other types of information that could give rise to a disclosure obligation. For example, a development in a company affiliated with, but not controlled by, the Company may be price-sensitive when related to the Company itself.

4.4 Further, when the Company is relying on an exception to NZX Listing Rule 10.1.1 or ASX Listing Rule 3.1, or is involved in a development that may eventually require reliance on an exception, appropriate confidentiality protocols must be adhered to. A leak of

confidential information will immediately deny the Company the ability to withhold the information from the ASX and likely force the Company to make a 'premature' announcement.

## 5. **Disclosure Committee**

5.1 The Board will appoint a Disclosure Committee which must consist of

- (a) Managing Director;
- (b) CFO; and
- (c) Chair of the Board;
- (d) or if any of the above people are unavailable, then the Chair of the Audit and Financial Risk Committee.

5.2 The Company will also seek the Company's legal counsel's advice on whether matters are material and accordingly whether those matters should be disclosed.

5.3 The Disclosure Committee must:

- (a) monitor compliance by the Company and its officers and employees with this Policy;
- (b) review this Policy at least once each financial year;
- (c) provide a report to the Board on any matters dealt with in the preceding period under this Policy; and
- (d) require that all material information provided to NZX and ASX is also placed on the Company's website.

## 6. **Release of reports as required by the NZX Listing Rules, ASX Listing Rules and the Companies Act**

6.1 The Company must release the following reports in accordance with the NZX Listing Rules, the ASX Listing Rules and the Companies Act:

- (a) the annual report;
- (b) the half-year report;
- (c) the preliminary half-year and final reports;
- (d) the annual audited financial statements; and
- (e) any other reports required to be lodged under the NZX Listing Rules, ASX Listing Rules and Companies Act.

6.2 The Company must not hold any meetings with or initiate meeting or phone contact with analysts, fund managers or brokers, during the period of 10 days before the release of the annual and half-yearly preliminary reports.

6.3 Directors of the Company are required to give written notice to the Company in respect to dealing in the securities of the Company and comply with the Company's **Securities**

**Trading Policy and Guidelines.** A change in the notifiable interest of a Director must be advised to NZX and ASX within 5 business days after the change occurs.

## **7. Information briefings with analysts**

- 7.1 No undisclosed material information may be disclosed in any meeting with an investor or analyst. As noted in paragraph 3.10 above, if any inadvertent disclosure of material information occurs in such circumstances the CFO must be advised immediately so that the market can be informed or a referral to the Disclosure Committee can be made.
- 7.2 The Company may provide background and technical information (other than Disclosure Information) in one-on-one briefings with analysts, fund managers, brokers or institutional investors to assist them in their understanding of the Company's business activities. Such information may include:
- (a) long-term strategy;
  - (b) company history, vision and goals;
  - (c) management philosophy and the strength and depth of management;
  - (d) competitive advantages and risks;
  - (e) previously disclosed material information;
  - (f) non-material information;
  - (g) industry trends and issues; and
  - (h) assumptions underlying earnings forecasts, not the forecast per se.
- 7.3 The Managing Director and CFO must review any written presentation material prepared for meetings prior to the meeting to determine whether all information has previously been disclosed to the market or may require disclosure.
- 7.4 A one-on-one briefing includes any communication between the Company and a broker, analyst, fund manager, or institutional investor including phone calls.
- 7.5 No previously undisclosed material information may be disclosed at these meetings.
- 7.6 If analysts send the Company a draft report the report must be referred to the Managing Director or CFO. The Company shall only comment on factual errors relating to historic or previously disclosed information.

## **8. Release of information to the public**

- 8.1 Only the Managing Director and the CFO are authorised to provide comment about financial aspects of the Company, or speak on behalf of the Company, to the media or external parties.
- 8.2 Staff members must not respond to any market speculation or rumours about the Company unless authorised by the Managing Director or CFO to do so.

## **9. False markets, market speculation and rumours**

- 9.1 Market speculation and rumours, whether substantiated or not, have the potential to impact upon the market price of the Company's listed securities. Speculation may also

contain factual errors that could materially affect the market price of the Company's listed securities.

- 9.2 The Managing Director will monitor movements in the price or trading activity of the Company's securities to identify circumstances in which a false market may have emerged in the Company's listed securities.
- 9.3 If NZX or ASX asks the Company to give it information to correct or prevent a false market, the CFO and Managing Director are responsible for giving the information to NZX and ASX after, if necessary, consideration by the Disclosure Committee about whether such disclosure should be made.
- 9.4 The Company's general policy on responding to market speculation and rumours is that it does not respond to market speculation or rumours. However, the Managing Director, CFO, the Disclosure Committee or the Board (as applicable) may decide to make a statement in response to market speculation or rumours if:
- (a) they consider that the Company is obliged at that time to make a statement to the market about a particular matter;
  - (b) consider it prudent in order to prevent or correct a false market occurring in the Company's listed securities; or
  - (c) NZX or ASX asks for information.

## **10. Trading halts**

- 10.1 Where the Company is unable to make disclosure to NZX and ASX immediately upon becoming aware of that material information (or if trading in the Company's shares is suggestive of a false or disorderly market) then the Managing Director, CFO or the Disclosure Committee must apply for a trading halt on NZX and ASX.
- 10.2 Decisions about trading halts will be made following consultation with the Board in relation to major matters and by the Managing Director and/or CFO in relation to other matters (or, if such decision is required to be made on an urgent basis and the Managing Director is not available, with the Disclosure Committee).

## **11. Informing employees**

- 11.1 This Policy or a summary of it will be distributed to all employees to help them understand the Company's continuous disclosure obligations, their individual reporting responsibilities and the need to keep the Company's information confidential.
- 11.2 The Company's Securities Trading Policy and Guidelines will also be distributed to all employees. That policy also relates to the treatment of material information.
- 11.3 Any questions about the Company's continuous disclosure obligations or this Policy should be referred to the CFO.

## **12. Disciplinary action**

- 12.1 Breaches of this Policy may lead to disciplinary action being taken against staff including dismissal or termination in serious cases.

### 13. **Application of Policy**

- 13.1 The Board may approve updates, amendments to and exemptions to this Policy from time to time, which may be implemented by written notice, including by publication on the Company's intranet.
- 13.2 To the extent of any inconsistency with any previous Policy or rules relating to this subject matter, this Policy prevails over them.

Last updated 4 September 2015

## 6. Securities Trading Policy and Guidelines

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This Policy was approved by the Board on 4 September 2015.

This Policy applies to all Directors, officers and employees of the Company and its subsidiaries who intend to trade in the Company's shares and other "**securities**". In this Policy "**trade**" includes buying or selling securities, or agreeing to do so, whether as principal or agent. It does **not** include subscription for, or the issue of, new securities in the Company.

In addition to this Policy and Guidelines, further more specific and stringent rules also apply to trading in the Company's securities by Directors and certain senior employees, or employees performing certain functions (see below under ***Additional Trading Restrictions for Restricted Persons***).

### 1. Introduction and purpose

- 1.1 This document details the Company's policy on, and rules for dealing in, the following securities (**Restricted Securities**):
  - (a) the Company's ordinary shares listed on the NZX Main Board and ASX; and
  - (b) any debt securities issued by the Company; and
  - (c) any other securities of the Company or its subsidiaries, and any derivatives (including futures contracts listed on an authorised futures exchange) in respect of the Company securities, from time to time.
- 1.2 The requirements imposed by this Policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand, Australia and any other country where those securities may be listed.
- 1.3 If you do not understand any part of this Policy, or how it applies to you, you should raise the matter with the Company's CFO, before dealing with any securities covered by this Policy.

### 2. Fundamental Rule – Insider trading is prohibited at all times

- 2.1 If you possess "**material information**" (refer to definition below), then **whether or not** you are a Restricted Person (as defined further below), you must **not**:
  - (a) trade Restricted Securities;
  - (b) advise or encourage others to trade, or hold any Restricted Securities; or
  - (c) pass on the material information to others.
- 2.2 The prohibitions apply regardless of how you learn of the information, and regardless of why you are trading.
- 2.3 The prohibition on insider trading applies not only to information concerning the Company's securities. If you have material information in relation to listed securities of another issuer (including futures contracts listed on an authorised futures exchange over listed securities) then you must not trade in those securities either.



### 3. **Insider trading laws**

3.1 If you have any **material information**, it is illegal for you to:

- (a) trade in Restricted Securities;
- (b) advise or encourage another person to trade or hold Restricted Securities;
- (c) advise or encourage a person to advise or encourage another person to trade or hold Restricted Securities; or
- (d) pass on the material information to anyone else - including colleagues, family or friends - knowing (or where you ought to have known) that the other person will use that information to trade, continue to hold, or advise or encourage someone else to trade, or hold, Restricted Securities.

3.2 This offence, called "**insider trading**", can subject you to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or the Company, for any loss suffered as a result of illegal trading. The principal insider trading prohibition in New Zealand is Part 1 of the Securities Markets Act 1988 / Part 5 of the Financial Markets Conduct Act 2013. The principal insider trading prohibition in Australia is set out in section 1043A of the Corporations Act 2001 (**Corporations Act**).

### 4. **Confidential information**

4.1 In addition to the above, you also have a duty of confidentiality to the Company. You must not reveal any confidential information concerning the Company to a third party (unless that third party has signed a confidentiality agreement with the Company and you have been authorised to disclose the confidential information or you are required by law to reveal that information), or to use confidential information in any way which may injure or cause loss to the Company, or use confidential information to gain an advantage for yourself. You should require that external advisers keep the Company information confidential.

### 5. **What is "material information"?**

5.1 "**Material information**" is information that:

- (a) a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of quoted securities of the Company; and
- (b) relates to the securities of the Company or the Company itself, rather than to securities generally or listed issuers generally.

5.2 Information is generally available to the market if it has been released as an ASX or NZX announcement, or investors that commonly invest in the Company's listed securities can readily obtain the information (whether by observation, use of expertise, purchase or other means).

5.3 It does not matter how you come to know the material information (including whether you learn it in the course of carrying out your responsibilities, or in passing in the corridor, in a lift or at a social function).

5.4 Information includes rumours, matters of supposition, intentions of a person (including the Company), and information, which is insufficiently definite to warrant disclosure to the public.

5.5 As the Corporations Act applies to Restricted Securities traded in Australia, material information also includes **"Inside Information"** for the purposes of section 1043A of the Corporations Act. Inside Information is information that:

- (a) is not generally available; and
- (b) if it were generally available, would, or would be likely to, influence persons who normally invest in securities, in deciding whether to acquire or dispose of the relevant securities.

5.6 Information is generally available if it:

- (a) is readily observable;
- (b) has been made known in a way that is likely to bring it to the attention of persons who normally invest in the relevant type of securities, and a reasonable time for the information to be circulated has since passed; or
- (c) consists of deductions, conclusions or inferences drawn from information that has been made known in that way or is readily observable.

5.7 In order to minimise the risk of insider trading, the Company must immediately disclose to the market Material Information that is not otherwise excluded from disclosure, as set out in the Company's Continuous Disclosure Policy.

## 6. **What are some examples of material information?**

6.1 The following list is illustrative only. Material information could include information concerning:

- (a) the financial performance of the Company;
- (b) a possible change in the strategic direction of the Company;
- (c) a possible acquisition or sale of any business or company by the Company;
- (d) entry into or the likely entry into or termination or likely termination of material contracts or other business arrangements that are not publicly known;
- (e) a possible change in the Company's capital structure;
- (f) a change in the historical pattern of dividends;
- (g) Senior Management changes;
- (h) a possible change in the regulatory environment affecting the Company;
- (i) a material legal claim by or against the Company; or
- (j) any other unexpected liability,

which has not been released to the market.

6.2 The range of possible material information is very wide, so if you are planning to buy or sell any the Company securities and you have any doubts, you should discuss it confidentially with the Company's CFO.

## **7. Exceptions**

- 7.1 This Policy does not apply to acquisitions of securities through an issue of new listed securities, such as an issue of new debt securities or new shares on the exercise of options, under a rights issue, or a dividend reinvestment plan.

## **8. Short-term trading discouraged**

- 8.1 You should not engage in short term trading (the buying or selling of listed securities within a one-month period), unless there are exceptional circumstances discussed with the Company Secretary first, and then approved by the Chair of the Audit and Financial Risk Committee.
- 8.2 Short-term trading can be a key indicator of insider trading, particularly if undertaken on a regular basis or in large amounts. Therefore, to reduce the risk of an allegation of insider trading, do not trade listed securities on a short-term basis.

## **9. Fixed trading plan defence**

- 9.1 Trading of the Company's securities under a fixed trading plan will not breach the law in New Zealand if the fixed trading plan was entered into at a time when an investor had no inside information and in entering the fixed trading plan, the investor did not intend to evade the prohibition on trading on material information.
- 9.2 A fixed trading plan is a plan that is fixed for a period of time during which the investor cannot withdraw from the plan or influence trading decisions after the plan has begun. While there is no similar defence under the Australian insider trading prohibitions, such conduct is not likely to breach section 1043A of the Corporations Act.

## **10. If In doubt, don't**

- 10.1 The rules contained in this Policy do not replace your legal obligations. The boundary between what is (and what is not) in breach of the law is not always clear. Sometimes behaviour that you consider to be ethical actually may be insider trading. If in doubt, don't.

## **11. Breaches of policy**

- 11.1 Strict compliance with this Policy is a condition of employment. Breaches of this Policy will be subject to disciplinary action, which may include termination of employment.

## **12. Monitoring of trading**

- 12.1 The Company may monitor the trading of Directors and employees as part of the administration of this Policy.
- 12.2 The Financial Markets Authority, the NZX, ASX and ASIC and governance advisers take an interest in whether the Company is complying with the Securities Trading Policy.

## **13. Application of policy**

- 13.1 The Board may approve updates, amendments to and exemptions to this Policy from time to time, which may be implemented by written notice to you and/or posting on the Company's intranet.
- 13.2 To the extent of any inconsistency with any previous policy or rules relating to this subject matter, this Policy prevails over them.

Last updated 4 September 2015

## ADDITIONAL TRADING RESTRICTIONS FOR RESTRICTED PERSONS

### 1. Persons covered by trading restrictions on Restricted Securities

#### 1.1 The additional trading restrictions set out below apply to:

- (a) all Directors;
- (b) the Managing Director, all members of the management team and their direct reports;
- (c) the administrative staff of the executive offices;
- (d) all employees in the finance department;
- (e) trusts and companies controlled by such persons; and
- (f) anyone else notified by the Company Secretary from time to time.

#### 1.2 Persons covered by these additional restrictions are called "**Restricted Persons**". Employees and Directors will be considered responsible for the actions of trusts and companies controlled by them. In this respect, "control" is not to be construed in a technical way, but by looking at how decisions are made in practice.

#### 1.3 The Company's share trading policy may apply to the Company securities held by family members of Restricted Persons. If in doubt, Restricted Persons should consult with the Company Secretary before trading in Restricted Securities.

### 2. Blackout periods

#### 2.1 Restricted Persons **must not** trade in Restricted Securities on either NZX or ASX during any of the following blackout periods:

- (a) the period from the close of trading on 1 December of each year until 48 hours following the announcement to NZX and ASX of the full year results (i.e., annual report);
- (b) the period from the close of trading on 1 June each year until 48 hours following the announcement to NZX and ASX of the half year results (i.e., half-year report);
- (c) any other period that the Company specifies from time to time; and
- (d) 30 days prior to release of a prospectus for a general public offer of the same class of Restricted Shares.

### 3. Exceptional circumstances

#### 3.1 If a Restricted Person needs to trade in Restricted Securities due to exceptional circumstances during a blackout period, the Restricted Person may seek a waiver from the Chair of the Audit and Financial Risk Committee to trade in Restricted Securities (using the attached **Request for Consent to Trade in Listed Securities** form (**Request for Consent Form**)). All applications for consent will be processed on a confidential basis.

#### 3.2 In the case of proposed trading during a blackout period by a Director, the Request for Consent Form must be signed by the Chair of the Board or, in his or her absence, the Chair of the Audit and Financial Risk Committee and in the case of proposed trading by

the Chair of the Board, the Request for Consent Form must be signed by the Company Secretary and the Chair of the Audit and Financial Risk Committee.

- 3.3 Exceptional circumstances for these purposes include severe financial hardship, compulsion by court order or any other circumstance that is deemed exceptional by the Board.
- 3.4 An application from a Restricted Person to trade during a blackout period must set out the circumstances of the proposed dealing, including an explanation as to the reason the waiver is requested. A waiver will only be granted if:
- (a) the circumstances giving rise to the request are deemed “exceptional” by the Board or its delegate, or fall within a recognised category of exceptional circumstances (ie severe financial hardship or compulsion by court order); and
  - (b) the application is accompanied by sufficient evidence (in the opinion of the person from whom consent is sought under this Policy) that the trading of the relevant Restricted Securities is the most reasonable course of action available in the circumstances.
- 3.5 If a waiver is granted to trade during a blackout period, the Restricted Person will be notified in writing (which may include notification via email) and in each circumstance the duration of the waiver to trade in Restricted Securities will be two trading days from the date of notification. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.
- 3.6 Unless otherwise specified in the notice, any dealing permitted during a blackout period must comply with the other sections of this Policy (to the extent applicable).

#### **4. Trading outside blackout periods**

- 4.1 Before trading in Restricted Securities at any time outside of a blackout period, Restricted Persons must, in writing:
- (a) notify the Company Secretary of their intention to trade in securities, and seek consent to do so (using the Request for Consent Form);
  - (b) confirm that they do not hold material information; and
  - (c) confirm that there is no known reason to prohibit trading in any Restricted Securities.
- 4.2 In the case of proposed trading by a Director, the Request for Consent Form must be signed by the Chair of the Board, or, in his or her absence, the Chair of the Audit and Financial Risk Committee, and in the case of proposed trading by the Chair of the Board, the Request for Consent Form must be signed by the Company Secretary and the Chair of the Audit and Financial Risk Committee.
- 4.3 A consent given for a Restricted Person to trade outside the blackout period is only valid for a period of 10 trading days after notification. Consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

## **5. The outcome of any application for consent**

- 5.1 The Company's decision on any application for consent is final. It is not obligated to provide reasons for any decision made.
- 5.2 Applications approved for trading, based on an appropriate factual disclosure, will mean that a person will not be considered in breach of their employment obligations under the Company's policies. Consent does not in itself exclude the possibility of either civil or criminal liabilities still arising under relevant legislation.

## **6. Requirements after trading**

- 6.1 A Restricted Person must advise the Company Secretary promptly following completion of any trade, and the Restricted Person must comply with any disclosure obligations that he or she has under the Securities Markets (Disclosure of Relevant Interests by Directors and Officers) Regulations 2003 and the listing rules of ASX and of any other relevant stock exchange.

## **7. Exclusions**

- 7.1 The additional trading restriction for Restricted Persons (as contained in this Policy) does not apply to:
- (a) the following categories of passive trades:
    - (i) acquisition of Restricted Securities through an activated and disclosed dividend reinvestment plan;
    - (ii) acquisition of Restricted Securities through a share purchase plan available to all shareholders;
    - (iii) acquisition of Restricted Securities through a pro rata rights issue of Restricted Securities; and
    - (iv) the disposal of Restricted Securities through the acceptance of a takeover offer;
  - (b) trading that does not result in a change to the beneficial interest in the Restricted Securities; and
  - (c) a disposal of Restricted Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement.

## Request for Consent to Trade in Listed Securities

To: **The Chair of the Audit and Financial Risk Committee / Chair of the Board / Company Secretary** (delete as applicable) CBL Corporation Limited (the **Company**)

In accordance with the Company's **Securities Trading Policy and Guidelines** and **Additional Trading Restrictions for Restricted Persons (Policy)**, I request that the Company's consent be given to the following proposed transaction to be undertaken either by me or persons associated with me, within the timeframe specified under the Policy. I acknowledge that the Company is not advising or encouraging me to trade or hold securities and does not provide any securities recommendation.

**Name:** \_\_\_\_\_

**Name of registered holder transacting (if different):** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Position:** \_\_\_\_\_

**Description and number of securities:** \_\_\_\_\_ ordinary shares (or specify) \_\_\_\_\_

**Type of proposed transaction:** Purchase / sale / other (specify) \_\_\_\_\_

**Reason for proposed transaction (if transaction is to occur during a 'blackout period'):**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**To be effected/conducted:** On market / off-market trade / other (specify) \_\_\_\_\_

**Likely date of transaction (on or about):** \_\_\_\_\_

I declare that I do not hold information that:

- is not generally available to the market; and either
- would have a material effect on the price of the Company's securities if it were generally available to the market; or
- if it were generally available, would, or would be likely to, influence persons who normally invest in securities in deciding whether to acquire or dispose of the relevant securities,

I know of no reason to prohibit me from trading in the Company's securities and certify that the details given above are complete, true and correct.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



The Company hereby **consents** / **does not consent** to the proposed transaction described above.

Any consent is conditional on the proposed transaction being completed within 10 trading days, or where the trade is to occur during a blackout period, within two trading days, of the date of notification of this consent, and in compliance with ***the Company's Securities Trading Policy and Guidelines*** and ***Additional Trading Restrictions for Restricted Persons***.

The **Chair of the Audit and Financial Risk Committee / Chair of the Board / Company Secretary** on behalf of **CBL Corporation Limited**:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

## 7. Risk Management Policy

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This Policy was approved by the Board on 4 September 2015.

### 1. Introduction

- 1.1 The Company views effective risk management as key to achieving and maintaining its operational and strategic objectives.

### 2. Risk oversight

- 2.1 The Directors are responsible for reviewing and ratifying the risk management structure, processes and guidelines which are to be developed, maintained and implemented by management. The active identification of risks and implementation of mitigation measures is also the responsibility of management.

- 2.2 The audit and financial risk Committee of the Company's Board (**Audit and Financial Risk Committee**) or the Company's Senior Management may also refer a particular matter or financial risk management issue to the Board or a separate risk committee for consideration and direction.

- 2.3 To assist the Board in discharging its financial responsibility in relation to risk management, the Board has delegated certain activities to the Audit and Financial Risk Committee. The objectives of the Audit and Financial Risk Committee include, among other things:

- (a) promoting a culture of compliance;
- (b) providing a forum for communication between the Board and Senior Management in relation to audit and compliance matters affecting the Company; and
- (c) reviewing and commenting on Senior Management's plans for managing the material financial and reporting risks faced by the Company.

- 2.4 To achieve these objectives, the responsibilities of the Audit and Financial Risk Committee in relation to risk management and internal compliance and control systems include among other things:

- (a) overseeing the establishment and implementation of risk management and internal compliance and control systems and requiring that there is a mechanism for assessing the ongoing efficiency and effectiveness of those systems;
- (b) reviewing (at least annually) and approving policies and procedures on risk oversight and management to establish an effective and efficient system for:
  - (i) identifying, assessing, monitoring and managing risk;
  - (ii) disclosing any material change to the Company's risk profile; and
- (c) receiving reports from Senior Management concerning the Company's material risks in order to assess the internal processes for determining, monitoring and managing these risks and to monitor the risk profile of the Company;
- (d) reviewing the Company's financial risk management procedures with the objective of seeing that the Company complies with its legal obligations, including to assist

the Managing Director or CFO to provide declarations in relation to each of the Company's financial reports required by Recommendation 4.2 of the *ASX Corporate Governance Principles and Recommendations (3rd edition)*.

- 2.5 Further detail in relation to the responsibilities of the Audit and Financial Risk Committee are contained in the Audit and Financial Risk Committee's charter that is available on the Company's website at [www.cblcorporation.co.nz](http://www.cblcorporation.co.nz).

### **3. Role of Senior Management**

- 3.1 Senior Management is responsible for designing and implementing risk management and internal compliance and control systems which identify the material risks facing the Company. These compliance and control systems are designed to provide advanced warning of material risks before they eventuate.
- 3.2 Senior Management must regularly monitor and evaluate the effectiveness of these processes and risk plans and the performance of employees implementing them, including through the procedures listed in the Schedule to this Policy. In addition, Senior Management must promote and monitor the culture of risk management within the Company and compliance with internal risk systems and processes by employees.
- 3.3 All employees are responsible for implementing, managing and monitoring these processes and risk plans with respect to material business risks, as appropriate.
- 3.4 Senior Management must report at each board meeting on risk management to the Board and the Audit and Financial Risk Committee. The reporting must identify the Company's material risks and the extent to which:
- (a) the Company's ongoing risk management program effectively identifies all areas of potential risk, including with respect to licensing and regulatory issues;
  - (b) adequate policies and procedures have been designed and implemented to manage identified risks;
  - (c) a regular program of audits is undertaken to test the adequacy of, and compliance with, prescribed policies; and
  - (d) proper remedial action is undertaken to redress areas of weakness.

### **4. Identified risks**

- 4.1 There are a number of risks that are inherent to the business activities that the Company undertakes. These risks may change over time as the external environment changes and as the Company expands its operations. The risk management process requires the regular review of the Company's existing risks and the identification of new and emerging risks facing the Company, including financial and non-financial matters. It also requires the management, including mitigation where appropriate, of these risks.

### **5. Review of risk management**

- 5.1 The division of responsibility between the Board, the Audit and Financial Risk Committee and Senior Management aims to ensure that specific responsibilities for risk management are clearly communicated and understood by all.
- 5.2 The reporting obligations of Senior Management ensure that the Board and the Audit and Financial Risk Committee are regularly informed of material risk management issues and actions. This is supplemented by the Audit and Financial Risk Committee:

- (a) receiving reports from Senior Management concerning the Company's material risks in order to assess the internal processes for determining, monitoring and managing these risks and to monitor the risk profile for the Company; and
  - (b) reviewing and ratifying Senior Management's processes for achieving and monitoring compliance with laws, regulations and other requirements relating to the external reporting of financial and non-financial information.
- 5.3 When considering the Audit and Financial Risk Committee's review of financial statements for a financial period, the directors must consider the written statement signed by the Managing Director and CFO referred to in clause 5.4(h) of the Audit and Financial Risk Committee Charter.
- 5.4 Similarly, when reviewing risk management reports, the Board may request a separate written statement from the Managing Director confirming that the Company's risk management and internal control systems have been operating effectively in relation to all material business risks for the relevant accounting period and that nothing has occurred since the period-end that would materially change this position.

Last updated 4 September 2015

## SCHEDULE

The following are intended to form part of the normal procedures for Senior Management's risk and compliance responsibilities:

- Evaluating the adequacy and effectiveness of Senior Management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for the management of balance sheet risks.
- Evaluating the adequacy and effectiveness of the Company's financial and operational risk management control systems by reviewing risk registers and reports from management and external auditors.
- Evaluating the structure and adequacy of the Company's business continuity plans.
- Evaluating the structure and adequacy of the Company's own insurance on an annual basis.
- Reviewing and making recommendations regarding the strategic direction, objectives and effectiveness of the Company's financial and operational risk management policies.
- Overseeing the establishment and maintenance of processes to see that there is:
  - an adequate system of internal control, management of business risks and safeguard of assets; and
  - a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control.
- Evaluating the Company's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance.
- Disclosing whether the Company has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.
- Reviewing the Company's main corporate governance practices for completeness and accuracy.
- Reviewing the procedures that the Company has in place to ensure compliance with laws and regulations (particularly those which have a major potential impact on the Company in areas such as insurance, industrial relations, occupational health and safety).
- Reviewing the procedures in place to ensure compliance with insider trading laws, continuous disclosure requirements and other best practice corporate governance processes (including requirements under the ASX Listing Rules, Corporations Act and Australian Accounting Standards Board requirements).
- Advising the Board on the appropriateness of significant policies and procedures relating to financial processes and disclosures and reviewing the effectiveness of the Company's internal control framework.
- Reviewing the Company's policies and culture with respect to the establishment and observance of appropriate ethical standards.
- Reviewing and discussing with management and the internal and external auditors the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs.

## 8. Conflicts of Interest Policy

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This Policy was approved by the Board on 4 September 2015.

### 1. Introduction and purpose

- 1.1 This Policy is to provide that the Directors of the Company conduct themselves impartially at all times and that any conflicts of interest are identified, disclosed and impartially managed.
- 1.2 Directors of the Company should avoid placing themselves in a position, entering into any arrangement or participating in any activity that may lead to:
  - (a) an actual or a potential conflict of interest or duty; or
  - (b) a reasonable perception of an actual or potential conflict of interest or duty; or
  - (c) a negative impact on the Company's reputation.
- 1.3 Where there is a conflict of interest, there is an obligation to disclose that conflict to the Board and enter it in the Interests Register. There are also issues as to the extent to which an interested Director may participate in and be present at the meeting when the conflict matter is being dealt with.

### 2. When a Director is “interested” in a transaction of the Company

- 2.1 Where a Director of the Company is “interested” (as that term is defined in section 139 of the Companies Act, attached as the Schedule to this Policy) in a transaction entered into, or to be entered into, by the Company, that Director must, promptly after becoming aware of the fact that he or she is interested in the transaction:
  - (a) disclose the nature, extent and monetary value (if applicable) of the interest to the Board; and
  - (b) cause that interest to be entered in the Interests Register.
- 2.2 In accordance with clause 26 of the Company's Constitution, a Director who is interested in a transaction entered into, or to be entered into by the Company:
  - (a) may attend a Board meeting at which any matter relating to that transaction arises, but shall not, while the Company is listed on the Main Board of NZX or on ASX, be included among the Directors present at the meeting for the purposes of a quorum and may not vote on any matter related to the transaction; and
  - (b) may sign a document, or do any other thing in his or her capacity as a Director, as if that Director were not interested in the transaction.
- 2.3 In accordance with clause 26.4 of the Company's Constitution, a Director may, in relation to a matter in which he or she is interested, be included among the Directors present at the meeting for the purposes of a quorum and may vote if that matter is one in respect of which, pursuant to an express provision of the Companies Act, Directors are required to sign a certificate or one that relates to the grant of an indemnity pursuant to section 162 of the Companies Act.

3. **Director not accountable**

- 3.1 If a Director has disclosed an interest in compliance with this Policy and has otherwise complied with the obligations under this Policy, the Company's Constitution and at law, then the Director is not accountable to the Company for any profit that he or she may obtain from the transaction or matter.

4. **Application of Policy**

- 4.1 The Board may approve updates, amendments to and exemptions to this Policy from time to time, which may be implemented by written notice including by publication on the Company's intranet.
- 4.2 To the extent of any inconsistency with any previous Policy or rules relating to this subject matter, this Policy prevails over them.

Last updated 4 September 2015

## SCHEDULE

### Companies Act 1993 – Section 139

#### 139 Meaning of “interested”

- (1) Subject to subsection (2) of this section, for the purposes of this Act, a director of a company is **interested** in a transaction to which the company is a party if, and only if, the director—
- (a) is a party to, or will or may derive a material financial benefit from, the transaction; or
  - (b) has a material financial interest in another party to the transaction; or
  - (c) is a director, officer, or trustee of another party to, or person who will or may derive a material financial benefit from, the transaction, not being a party or person that is—
    - (i) the company's holding company being a holding company of which the company is a wholly-owned subsidiary; or
    - (ii) a wholly-owned subsidiary of the company; or
    - (iii) a wholly-owned subsidiary of a holding company of which the company is also a wholly-owned subsidiary; or
  - (d) is the parent, child, spouse, civil union partner, or de facto partner of another party to, or person who will or may derive a material financial benefit from, the transaction; or
  - (e) is otherwise directly or indirectly materially interested in the transaction.
- (2) For the purposes of this Act, a director of a company is **not interested** in a transaction to which the company is a party if the transaction comprises only the giving by the company of security to a third party which has no connection with the director, at the request of the third party, in respect of a debt or obligation of the company for which the director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity, or by the deposit of a security.



## 9. Diversity Policy

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This Policy was approved by the Board on 4 September 2015.

### 1. **Introduction**

- 1.1 This Policy supports the commitment of the Company to an inclusive workplace that embraces and values diversity while always upholding the principle of meritocracy.

### 2. **Benefits of diversity**

- 2.1 Diversity refers to the variety of differences between people in an organisation. Diversity encompasses gender, race, ethnicity, disability, age, sexual orientation, gender identity, marital or family status, religious or cultural background and more.
- 2.2 The Company's commitment to diversity at all levels forms part of its merit-based organisational culture dedicated to the recruitment and retention of the best available talent at all levels, up to and including the Board.
- 2.3 The Board believes that embracing diversity in its workforce contributes to the achievement of its corporate objectives (including optimising financial performance in a competitive labour market) and enhances its reputation. It assists the Company to recruit and retain the right people from a diverse pool of talented candidates, which in turn should assist the Company to:
  - (a) make more informed and innovative decisions, drawing on the wide range of ideas, experiences, approaches and perspectives that employees from diverse backgrounds, with differing skill sets, bring to their roles; and
  - (b) better represent the diversity of its stakeholders and markets.

### 3. **Commitment to diversity**

- 3.1 The Board is committed to achieving the goals of:
  - (a) providing access to equal opportunities at all levels of work based on merit; and
  - (b) fostering a corporate culture that embraces and values diversity.
- 3.2 The Company is an equal opportunity employer and welcome people from a diverse set of backgrounds.
- 3.3 In order to have a properly-functioning diverse workplace, discrimination, harassment, vilification and victimisation will not be tolerated within the Company.

### 4. **Recruitment of senior management and employees**

- 4.1 The Company is committed to providing equal employment opportunity for all of its employees and senior management, based on merit, ability, performance and potential, in a way that contributes to the achievement of its corporate objectives, including diversity.
- 4.2 The Board will monitor and promote the diversity of staff and the associated corporate culture, including by requiring that recruitment and selection processes at all levels are appropriately structured so that a diverse range of candidates are considered and to

avoid conscious or unconscious biases that might discriminate against certain candidates.

## **5. Objectives for achieving gender diversity**

### **5.1 The Company will:**

- (a) aim to establish appropriate and measurable objectives for achieving gender diversity;
- (b) require relevant Senior Management to measure and report on the achievement of such objectives;
- (c) consider and, if relevant, implement policies and programmes that address impediments to gender diversity in the workplace (including parental leave and flexible working arrangements that assist employees to fulfil their domestic responsibilities, and other programmes that, over time, help to prepare junior staff for senior management and Board positions), and review these policies to see that they are available to and utilised by both men and women at all levels;
- (d) annually review, assess and report against any measurable objectives established for achieving gender diversity and the Company's progress in achieving them; and
- (e) introduce key performance indicators for Senior Management to measure the achievement of diversity objectives and link part of their remuneration (either directly or as part of a balanced scorecard approach) to the achievement of those objectives.

## **6. Roles and responsibilities**

- 6.1 Every employee of the Company is responsible for supporting and maintaining the Company's corporate culture, including its commitment to diversity in the workplace.

## **7. Disclosure**

- 7.1 A summary of this Policy and the Company's achievement of the Policy's objectives (including progress towards achieving the measurable objectives referred to in clause 5.1(a) above and the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the Company has defined senior executives for these purposes) will be disclosed in each of the Company's annual reports.

## **8. Review and changes to this Policy**

- 8.1 The Board will review this Policy as necessary with the objective of seeing that it complies with any applicable legal requirements and remains relevant and effective.
- 8.2 This Policy is not contractual in nature.
- 8.3 This Policy is not a promise of continued employment or of the benefits of that employment.

9. **Interaction with other legislation**

- 9.1 This Policy applies to the extent that it does not conflict with equal employment opportunity and anti-discrimination legislation in jurisdictions in which the Company operates.

10. **Questions**

- 10.1 Any questions about this Policy should be directed to the Chair of the Governance and Remuneration Committee

Last updated 4 September 2015

# 10. Shareholder Communications Policy

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This Policy was approved by the Board on 4 September 2015.

## 1. Overview

- 1.1 The purpose of this policy is to promote effective communication with shareholders and encourage effective participation at general meetings of the Company.
- 1.2 The Company will endeavour to:
  - (a) maintain and update on the Company's website ([www.cblcorporation.co.nz](http://www.cblcorporation.co.nz)) within a reasonable timeframe, the materials detailed in this policy;
  - (b) distribute shareholder communications to shareholders in accordance with the Companies Act and listing rules of ASX Limited (**ASX**) and NZX Limited (**NZX**) (together, the **Listing Rules**); and
  - (c) use available channels and technologies to communicate widely and promptly to shareholders.

## 2. ASX and NZX announcements

- 2.1 The Company makes announcements to ASX and NZX in accordance with the Listing Rules and the Companies Act.
- 2.2 Announcements made by the Company to ASX and NZX are, subject to applicable securities laws, available to shareholders:
  - (a) on the 'Investors' section of the Company's website;
  - (b) under the 'Company Announcements' section of the ASX website and the 'Market Announcements' section of the NZX website; and
  - (c) by email notification (when shareholders provide the Company with their email address and elect to be notified of all the Company's ASX and NZX announcements).

## 3. Company's share registry

- 3.1 Shareholders are able to access information relevant to their holding via the Company share registry website, [www.computershare.co.nz](http://www.computershare.co.nz). Shareholders who do not have access to the internet should contact the Company's share registry with any enquiries relating to their shareholdings or alternatively contact the Company Secretary at Level 8, 51 Shortland Street, Auckland 1010, New Zealand.
- 3.2 The ASX and NZX code for the Company is 'CBL'.
- 3.3 Shareholders will be given the option to receive communications from, and send communications to, the Company and its share registry electronically.

## 4. Annual meetings

- 4.1 The Company usually holds its annual meeting (**AM**) in May each year. The specific date, time and location of each AM will be detailed:

- (a) in the relevant notice of meeting; and
  - (b) on the Company's website.
- 4.2 Alternatively, shareholders can contact the Company's share registry or the Company Secretary directly to obtain this information.
- 4.3 The notice of meeting will be distributed to all shareholders prior to the AM within the timeframe set by the Companies Act and the Company's Constitution. The full text of the notice of meeting will also be available via the 'Investors' section of the Company's website.
- 4.4 Shareholder meetings are an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, Senior Management and the external auditor. Shareholders may attend the meeting in person (including by any relevant technological means made available by the Company) or by proxy, representative or attorney.
- 4.5 The Chair will provide reasonable time following the consideration of reports for questions and comment on relevant matters (including questions or comments communicated to the Company by absent shareholders).
- 4.6 The Chair's address (and any address by the Managing Director) will be released to the market immediately prior to the commencement of the AM. It, along with any webcast made or transcript kept, will be available to shareholders via the Company's website in the same manner as other ASX and NZX announcements.
- 5. **Annual report**
  - 5.1 The annual report contains key financial information about the Company, as well as important operating and corporate information. As permitted by the Companies Act, the default method of receiving the Company's annual reports is electronically via the 'Investors' section of the Company's website (under 'Financial Reports'). A printed copy of the annual report is only sent to shareholders who elect to receive one. Shareholders who want to receive a printed copy of the annual report and half year report must elect their mailing options online on the Company's share registry Investor Centre website [www.investorcentre.com/nz](http://www.investorcentre.com/nz) or contact the Company's share registry (see above for contact details). The annual report will be available to all shareholders prior to the AM within the timeframe set by the Companies Act and the Listing Rules. It is usually published in February each year.
- 6. **Half-year and full-year results**
  - 6.1 The preliminary financial results for the full-year end are reported in February each year. The financial results for the half-year are reported in August each year.
  - 6.2 As the half-year and full-year results are announced to ASX and NZX pursuant to the Listing Rules, they will be available to shareholders in the same manner as other ASX and NZX announcements. In addition, the results will be accessible via the 'Investors' section of the Company's website.
- 7. **Corporate governance**
  - 7.1 In accordance with Recommendation 6.1 of the ASX Corporate Governance Council Principles and Recommendations (**ASX Principles**), the Company has a 'Governance' section on the Company's website.

- 7.2 The Company's annual corporate governance statement is prepared in accordance with the Listing Rules. It is contained in or accompanies the annual report each year and also is or will be available under the 'Governance' section of the Company's website.
- 7.3 In accordance with Recommendation 1.1 of the ASX Principles, the Company has a formal board charter, containing details of the functions and responsibilities of the Board. To assist the Board in fulfilling its duties and responsibilities, it has established two Board committees:

- (a) the Audit and Financial Risk Committee; and
- (b) the Governance and Remuneration Committee.

- 7.4 Each of these committees has a formal charter. The Board and committee charters, along with other corporate governance policies and documents, are also available to shareholders from the 'Governance' section of the Company's website.

## **8. Media releases**

Access to the Company's media releases is available from the 'Investors' section of the Company's website and they are released to the market via ASX and NZX.

## **9. Investor and analyst briefings**

- 9.1 At the time of announcement to ASX and NZX of the Company's half-year and full-year results the Company may conduct investor and analyst briefings. Investor and analyst briefings may occur at other times during the year as the Board deems appropriate.
- 9.2 If and when investor and analyst briefings occur at other times during the year, any presentation materials provided and webcasts or transcripts (if kept) will be made available to all shareholders via the 'Investors' section of the Company's website and will be released to the market prior to delivery.

## **10. Information for beneficial owners**

Beneficial owners of the Company securities are encouraged to contact the Company's share registry to arrange the direct receipt of shareholder materials.

## **11. Other information**

The Company's website will also contain the information set out in the Schedule to this Policy.

## **12. Publishing and updating the policy**

In compliance with the ASX Principles, this policy or a summary of its main provisions will also be published on the Company's website. The Board may approve updates and amendment of this policy from time to time.

## **13. Questions about the policy and its application**

- 13.1 Employees should direct their questions about the policy and its application in the first instance to the Company Secretary.
- 13.2 Shareholders, investors and members of the public should direct their questions about this policy and its application to the Company's share registrar, the details of which are set out in section 3.

Last updated 4 September 2015

## SCHEDULE

The Company's website will contain:

- the names, photographs and brief biographical information of each of the Directors and senior executives;
- the Company's Constitution, its Board Charter and the charters of each of its Board committees;
- the Company's corporate governance policies and its other corporate governance materials;
- copies of the Company's annual reports and financial statements;
- copies of the Company's announcements to ASX and NZX;
- copies of notices of meetings of shareholders and any accompanying documents;
- webcasts and/or minutes of meetings of shareholders and copies of any documents tabled or otherwise made available at those meetings;
- webcasts and/or minutes of investor or analyst presentations (if available) and copies of any materials distributed at those presentations;
- an overview of the Company's current business;
- a description of how the Company is structured;
- a summary of the Company's history;
- a key events calendar showing the expected dates in the forthcoming year for:
  - results presentations and other significant events for investors and analysts;
  - the annual meeting of the Company;
  - books' closing dates for determining entitlements to dividends or distributions; and
  - ex-dividend and payment dates for dividends or distributions;
- once they are known, the time, venue and other relevant details for results presentations and the annual meeting of the Company;
- if the Company has different classes of securities on issue, a brief description of those different classes and the rights attaching to them;
- historical information about the market prices of the Company's securities;
- a description of the Company's dividend or distribution policy;
- copies of media releases that the Company makes;
- contact details (preferably for a named individual) for enquiries from shareholders, analysts or the media;
- contact details for the Company's securities registry; and
- links to download key shareholder forms, such as transfer and transmission forms, dividend and distribution reinvestment plan forms.