



SPCA Investments Ltd Board Charter

Purpose

This SPCA Investments Ltd (SIL) Board Charter summarises the authority, responsibilities, membership and operation of the Board and should be read in conjunction with the SIL constitution.

The Royal New Zealand Society for the Prevention of Cruelty to Animals Incorporated (SPCA) is the shareholder of SIL and this charter is to be read in conjunction with the Constitution and governing regulations of SPCA. In the event of a conflict the Constitution and Regulations of SPCA prevail.

1. Board Structure

1.1 Size of the Board

The SIL Board shall comprise a minimum of two and a maximum of a five people. The Constitution of the Company states that the board shall comprise of two SPCA appointed directors and three external directors. Any vacancies will be appointed in accordance with the provisions of the Company's Constitution.

1.2 Selection of Board Members

The Board shall appoint the Chairperson of the Board from amongst the Board Members at the first Board meeting following each AGM using the Nominations process. The RNZSPCA Chair cannot be appointed as the Chair of this Board.

1.3 Independence of Board Members

Board Members are required to bring forward to the Board all relevant information which may affect their independence on any matter related to SIL or SPCA.

1.4 Role of the Chair

The roles of Chair and CEO SPCA are separate. The Chair's role is to:

- 1.4.1 Manage the Board effectively and provide effective leadership in formulating strategic direction;
- 1.4.2 Foster a constructive governance culture and apply appropriate governance principles among Board Members and with management;
- 1.4.3 Make sure the Board is well informed and effective and that the members, individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and SIL;
- 1.4.4 Ensure there are processes and procedures in place to evaluate the performance of the Board, its Committees and individual Board Members;
- 14.5 Ensure effective communication with stakeholders and members;

Document Type:	Board	Version number:	1
Number & Title:	Board Charter	Issue date:	Feb 2021
Document Owner:	National Office Document Control	Date next review:	Feb 2022

- 1.4.6 Act as a mentor or counsel for the CEO;
- 1.4.7 Act as the link between the Board and the management on a day-to-day basis; and
- 1.4.8 Undertake, as required, an annual review of all or any Board Member.

1.5 Retirement, Rotation and Resignation of the Board

The requirements and procedures governing the retirement, rotation and resignation of Board Members are prescribed in the SIL Constitution and SPCA Constitution.

2. Functions and Responsibilities

2.1 The Board is to ensure that SIL's actions are consistent with the aims of the SIL Purpose Statement.

2.2 Governance

Each of the Board Members and all of SIL's management are fully committed to high standards of corporate governance, which includes embracing the following principles:

- 2.2.1 To observe high standards of ethical and moral behaviour;
- 2.2.2 To act in the best interests of stakeholders (including the centres and the animals whose care is entrusted thereto) and members;
- 2.2.3 To ensure that SIL acts as a good citizen and is recognised as an icon in New Zealand; and
- 2.2.4 To be a responsible employer.
- 2.2.5 To comply with legislation and regulations.

2.3 Board Member Responsibilities

The primary responsibility of the Board Members is to exercise their business judgement, ethics and integrity to act in what they believe to be the best interests of SIL and its stakeholders and members. In discharging that obligation, Board Members should be entitled to rely on the honesty and integrity of SIL's senior staff and its outside advisors and auditors.

It is the Board's responsibility to take appropriate steps to protect and enhance the value of the assets and reputation of SIL in the best interests of its stakeholders and members. The Board will ensure that at the heart of the organisation there is a culture of honesty, integrity and excellent performance. In furtherance of its responsibilities, the Board will:

- 2.3.1 at all times act in good faith and in the best interests of SIL;
- 2.3.2 exercise the powers of the Board for proper purposes;
- 2.3.3 act, and ensure SIL acts, in accordance with the SIL Constitution;
- 2.3.4 not agree to, nor cause or allow, the activities of SIL to be carried on in a manner likely to create a substantial risk or serious loss to creditors of SIL;

- 2.3.5 not agree to SIL incurring any obligations unless the Board Member believes at that time, on reasonable grounds, that SIL will be able to perform the obligations when it is required to do so;
- 2.3.6 exercise the care, diligence and skill that a reasonable Board Member would exercise in the same circumstances;
- 2.3.7 disclose to the Board the nature and extent of any interest in a transaction or proposed transaction as soon as the Board Member becomes aware of the fact that he or she has such interest. For the purposes of this Rule, an interest in a transaction or proposed transaction shall have the same meaning as defined in section 139(1) of the Companies Act 1993 (or any equivalent provision under any replacement legislation);
- 2.3.8 take such other steps as decided by the Board in respect of any interest which may include, without limitation, abstaining from deliberations and/or any vote regarding such interest;
- 2.3.9 not disclose information that the Board Member would not otherwise have available other than in his or her capacity as a Board Member, to any person, or make use of or act on the information except:
 - i. as agreed by the Board for the purposes of SIL;
 - ii. as required by law; or,
 - iii. to persons, or for reasons identical to those specified in sections 145(2) and 145(3) of the Companies Act 1993;
- 2.3.10 make reasonable efforts to attend all Board Meetings and General Meetings of SIL;
- 2.3.11 participate in an annual review of the Board's performance.

3. Board, Committee and Meetings

The Board will meet at regular intervals and otherwise as necessary to deal with any urgent matters. The Constitution governs the regulation of meetings and proceedings of the Board. Board Members should spend the time necessary and meet as frequently as necessary to properly discharge their responsibilities.

To enable appropriate review of Board materials, Board Members will be provided electronic access to materials at least one week in advance of Board meetings. The content, presentation and delivery of papers to Board Members for each meeting will be in accordance with guidelines agreed by the Board.

The GM Finance & Shared Service may attend all board meetings in an ex-officio capacity.

The Chair, may from time to time invite employees and advisors to attend Board meetings whenever deemed appropriate.

Proceedings of all meetings are minuted and signed by the Chair of the relevant meeting. Minutes are circulated to Board Members and approved by the Board at the subsequent meeting.

Meeting procedures for Committees will be governed by the respective Board approved charters.

3.1 Agenda Items

The Chair and the CEO RNZSPCA will establish the agenda for each Board meeting. Standing items will include the 'Quarterly Investment report'. Each Board Member is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

3.2 Board Member Orientation and Education

The Board will ensure that all new Board Members are appropriately inducted, including being introduced to senior managers and the business of SIL.

A pack of key documents will be made available to the Board members, introductions and training needed will be arranged, as detailed on an Induction checklist, which is reviewed biannually by the Board.

It is expected that all Board Members will continuously educate themselves to ensure that they may appropriately and effectively perform their duties. In addition, visits to specific SIL operations (when appropriate) and briefings from key executives and relevant reports will be arranged, from time to time.

3.3 Management Delegations

The Board delegates to the SPCA CEO/GM Finance & Shared Services responsibility for implementing the Board agreed strategy and for managing the day-to-day operations of SIL. The SPCA CEO/GM Finance & Shared Services is, in turn, expected to delegate some of those powers to management. The Board is responsible for monitoring those delegations.

When Board Members seek clarification regarding information provided to Board Members, or are seeking information about SIL generally, this can be sought directly from the appropriate senior manager, but the Chair and SPCA CEO should also be advised. The Board Member will copy the Chair and SPCA CEO on written communication between a Board Member and an employee of SIL.

Board Members may be invited by the SPCA CEO to attend management meetings where Board Members have a particular interest or expertise. Board Members may make their interest known to the SPCA CEO.

3.4 Independent Advice

A Committee or individual Board Member may, with the prior approval of the Chair, engage professional advisers at SIL's expense to advise or assist them in carrying out their responsibilities.

3.5 Conflicts of Interest

The Board, both individual members and collectively, is expected to act ethically and in a manner consistent with the values of SIL. Each Board Member will minimise the possibility of any conflict of interest with SIL by restricting involvement in other businesses that would be likely to lead to a conflict of interest. Where conflicts of interest do arise, Board Members will excuse themselves from the

relevant discussions and will not exercise their right to vote in respect of such matters. All conflicts of interest shall be recorded in a register maintained and made available at all Board meetings.

3.6 Board Committee

From time to time, the Board may establish ad hoc or special purpose committees to examine, or have the delegated authority to deal with, specific issues on behalf of the Board. All Board Members may attend the sub-committee meetings if they so choose; however, Board Members who are simply attending these meetings (as opposed to being a member of the Committee) will not be eligible to vote.

3.7 Role of Committees

Each Committee shall have a Board approved charter defining its purpose, role and responsibilities as well as the Committee's membership, operations and reporting requirements. Where appropriate, the Committees will make recommendations to the full Board. Committees are not to take action or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so.

3.8 Review of Committee

The Committees shall undertake an annual review of their objectives and activities.

The objectives and activities of the Committees shall also be reviewed by the Board.

4. Board Policies

The key policies of the Board are those adopted from the SPCA Board.

5. Other Board Matters

5.1 Confidentiality of the Board

Board Members are elected to the Board to provide governance for SIL. Board discussions must be full and frank and Board Members will be privy to information that is confidential or not intended for a wider audience. Therefore Board Members must commit to maintaining the collective confidentiality of the Board.

5.2 Board Interaction with Media, Customers and Members of the Public

Unless otherwise directed by the Chair or the SPCA CEO, communications on behalf of SIL with the media must be made only by specifically designated representatives of SIL in accordance with SIL's Media Policy. The Media Policy authorises the Chair to speak on behalf of SIL on governance issues and strategic direction. The SPCA CEO is authorised to speak on all aspects of SIL other than

governance. If any other Board Member receives any inquiry relating to SIL, he or she should decline to comment and ask them to call the Chair, or SPCA CEO.

5.3 Board Member Performance Evaluation

Board Members will have their performance evaluated by their fellow Board Members and senior management in a process co-ordinated by the Chair. Individual feedback will be given to each Board Member as their evaluation is completed.

5.4 Performance Evaluation of the Board

The Board will conduct an annual performance review of the Board as a whole, to be completed after financial year-end. Individual Board Member views and the collated views of members of the senior management team will be sought on Board process, efficiency and effectiveness, and discussed by the Board as a whole.

5.5 Review of Charter

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