



BOARD CHARTER

Table of Contents

1. Adoption	3
2. The Role of the Board	3
3. Director Nomination, Appointment and Attributes.....	4
4. Board Composition, Operation and Performance.....	5
5. Specific duties of the Board.....	6
6. Specific duties of management	8
7. Meeting Procedures	8
8. Board Charter	9

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Turners Automotive Group Limited

Board Charter

1. ADOPTION

This Board Charter (“**Charter**”) was adopted by the Board of Turners Automotive Group Limited on 27 March 2018, and subsequently amended from time to time.

2. THE ROLE OF THE BOARD

The Board of Directors (the “**Board**”) of Turners Automotive Group Limited (the “**Company**”) is responsible for providing overall strategic guidance to the company and overseeing the conduct of the business of the Company to enhance the value of the Company’s assets.

The Board’s primary responsibilities are to enhance and preserve long-term shareholder value and to ensure that the Company meets its obligations on an on-going basis and operates in a reliable and prudent manner. In performing its duties, the Board should also consider the legitimate interests that other interested parties, such as shareholders, employees, customers and communities, may have in the Company.

In broad terms, the stewardship of the Company involves the Board taking overall responsibility for governance and strategic planning, accounting and reporting systems, continuous disclosure obligations, risk management and mitigation, senior management determination, communication planning, and internal control integrity.

More specifically, the main functions of the Board are to:

- a. review and approve the strategic, business and financial plans prepared by management and to develop a depth of knowledge of the Company’s business, so as to understand and question the assumptions upon which such plans are based;
- b. monitor the Company’s performance against its approved strategic, business and financial plans, and oversee the Company’s operating results on a regular basis so as to evaluate whether the business is being properly managed;
- c. select and (if necessary) replace the Chief Executive Officer (“**CEO**”);
- d. ensure that the Company has adequate senior management to achieve its objectives, and to support the CEO;
- e. review and approve individual investment and divestment decisions which the Board has determined should be referred to it before implementation;
- f. review and approve material transactions not in the ordinary course of the Company’s business;
- g. approve the appointments by, or at the request of, the Company (including its affiliates) to the boards of directors of subsidiary and associate companies;
- h. ensure ethical behaviour by members of the Company, the Board and senior management, including compliance with the Company’s constitution, the relevant laws, NZX Listing Rules (“**Listing Rules**”) and regulations and the relevant auditing and accounting principles;

- i. adopt a strategic planning process and approving, on at least an annual basis, a strategic plan for the Company which takes into account, among other things, the opportunities and risks of the business;
- j. identify the principal risks of the Company's business and ensuring the implementation of appropriate policies and internal controls to manage these risks;
- k. carry out succession planning (including appointing, training and monitoring senior management);
- l. adopt a communication policy for the Company that includes measures for receiving feedback from interested parties;
- m. oversee the Company's internal control and management information systems;
- n. develop the Company's approach to corporate governance in accordance with the NZX Corporate Governance Code, including developing a set of corporate governance principles and guidelines (including a risk management framework and remuneration policy) that are specifically applicable to the Company;
- o. ensure the Company's financial statements are true and fair and otherwise conform with the law;
- p. implement and at least bi-annually review the Company's Code of Ethics, foster high standards of ethical conduct and personal behaviour and hold accountable those directors, managers or other employees who engage in unethical behaviours;
- q. ensure all necessary steps are taken to safeguard and enhance the Company's financial position;
- r. ensure the quality and independence of the Company's external audit process;
- s. assess from time to time its own effectiveness (and that of any committee of the Board) in carrying out these functions and the other responsibilities of the Board. Such assessment may involve engaging external reviewers and
- t. on an individual basis, attend Board meetings, review meeting materials in advance of meetings, and comply with the other expectations and responsibilities of directors of the Company established by the Board.

3. DIRECTOR NOMINATION, APPOINTMENT AND ATTRIBUTES

The procedure for nomination and election of a director is outlined in the Company's constitution and in the Fit and Proper policy. Every new appointment to the Board that is made by the Board is considered and decided by the Board as a whole, taking into account the range of relevant skills and experience a potential new director may offer the Board and his or her ability to fully commit the time needed to be effective as a director of the Company.

All new directors will enter into a written agreement with the Company detailing the terms of their appointment. Newly-appointed directors will be provided with an induction programme and materials to assist in enhancing their understanding of the Company.

4. BOARD COMPOSITION, OPERATION AND PERFORMANCE

4.1 Board Composition

The composition of the Board will be as follows:

- i. The Board shall have a minimum of three directors, two of which must be ordinarily resident in New Zealand;
- ii. The majority of the directors must be independent directors (as defined by the Listing Rules);
- iii. No director shall hold office (without re-election) past the third annual meeting following that directors' appointment or 3 years, whichever is longer (noting that directors appointed by the Board must not hold office (without re-election) past the next annual meeting following that directors' appointment);
- iv. The Board elects a Chair who can be replaced by it at any time (noting that the Chair and the CEO cannot be the same person); and
- v. The Board should have an appropriate balance of executive and non-executive directors.

4.2 Operation

The Board operates by reserving certain powers to itself and delegating certain of its authorities to management. The Board retains responsibility for managing its own affairs, including

- selecting its Chair;
- planning its composition and size;
- nominating candidates for election to the Board, in accordance with the Fit and Proper Policy;
- determining independence of Board members;
- constituting committees of the Board;
- determining director compensation;
- periodically discussing matters of interest separate from and independent of any influence from management; and
- assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities.

Subject to the constitution of the Company and the Companies Act 1993, the Board may constitute, seek the advice of, and delegate powers, duties and responsibilities to committees of the Board.

4.3 Performance and Assessment

The Board annually considers its performance against its role and this Charter. It is the responsibility of the Chair to ensure that these reviews are conducted.

Directors formally assess the performance of the Board as a whole each year. A regular programme of peer review of individual Directors also occurs. Feedback from senior management is incorporated into these processes, as appropriate.

The Board or individual Directors use the findings of these reviews to identify areas for development or more effective use of relevant skills.

The Board also reports to shareholders on its performance, through the Company's annual report and at its annual meeting.

5. SPECIFIC DUTIES OF THE BOARD

The Board's specific duties, obligations and responsibilities fall into the following categories.

5.1 *Legal Requirements*

- a. The Board has oversight responsibility for the Company's satisfaction of its regulatory requirements, legal obligations and for properly preparing, approving and maintaining the Company's documents and records.
- b. The Board has the statutory obligation to:
 - i. supervise the management of, the business and affairs of the Company;
 - ii. act honestly and in good faith and in the best interests of the Company;
 - iii. exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
 - iv. act in accordance with its obligations contained in the Companies Act 1993 and the regulations thereunder, the Company's constitution, and other relevant legislation and regulations.
- c. The Board has the statutory obligation to consider certain matters as a board of directors. The Board may not delegate to management or to a committee of the Board the authority to:
 - i. submit to the shareholders any question or matter requiring the approval of the shareholders;
 - ii. fill a vacancy among the directors or in the office of auditor, appointed actuary, or appoint additional directors;
 - iii. issue securities except in the manner and on the terms authorized by the Board;
 - iv. declare dividends;
 - v. purchase, redeem or otherwise acquire shares issued by the Company, except in the manner and on the terms authorized by the Board;
 - vi. pay a commission to any person in consideration of the person's purchasing or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for shares of the Company;
 - vii. approve any management proxy circular relating to a solicitation of proxies by or on behalf of management of the Company;
 - viii. approve any take-over bid circular or directors' circular;
 - ix. approve any annual financial statements of the Company; or
 - x. adopt, amend or repeal by-laws.

5.2 *Independence*

The Board is responsible for implementing appropriate structures and procedures to permit the Board to function independently of management.

5.3 *Strategic Planning*

The Board is responsible for ensuring that there are long-term goals and a strategic planning process in place for the Company and participating with management, at least annually, directly or through its committees in approving the strategic plan by which the Company proposes to achieve its goals.

5.4 *Risk Management*

The Board is responsible for understanding the principal risks of the business in which the Company is engaged, achieving a proper balance between risks incurred and the potential return to shareholders, and confirming that there are systems in place that effectively monitor and manage those risks with a view to the long-term viability of the Company.

5.5 *Appointment, Training and Monitoring of Senior Management*

The Board is responsible for:

- a. appointing the CEO of the Company, monitoring and assessing the CEO's performance, determining the CEO's compensation, and providing advice and counsel to the CEO in the execution of the CEO's duties;
- b. approving the appointment and remuneration of all officers of the Company; and
- c. confirming that adequate provision has been made for the training and development of management and for the orderly succession of management.

5.6 *Reporting and Communication*

The Board is responsible for:

- a. verifying that the Company has in place policies and programs to enable the Company to communicate effectively with its shareholders, other interested parties and the public generally;
- b. verifying that the financial performance of the Company is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- c. verifying that the Company's financial results are reported fairly and in accordance with generally accepted accounting principles;
- d. timely reporting of any other developments that have a significant and material effect on the value of the Company; and
- e. reporting annually to shareholders on the Board's stewardship of the affairs of the Company for the preceding year.

5.7 *Monitoring and Acting*

The Board is responsible for:

- a. verifying that the Company operates at all times within all applicable laws and regulations, as well as the NZX Corporate Governance Code (as applicable);
- b. approving and monitoring compliance with the significant policies and procedures by which the Company is operated;
- c. verifying that the Company sets high environmental standards in its operations and is in compliance with environmental laws and legislation;
- d. verifying that the Company has in place best practice programs and policies for the health and safety of its employees in the workplace;
- e. monitoring the Company's progress toward its goals and objectives and revising and altering its direction through management in response to changing circumstances;
- f. taking action when the Company's performance falls short of its goals and objectives or when other special circumstances warrant;
- g. verifying that the Company has implemented adequate disclosure controls and procedures and internal control and information systems;
- h. ensuring that the Board receives from senior management on a timely basis the information and input required to enable the Board to effectively perform its duties;

- i. adopting a written Code of Ethics and ensuring that the business of the Company is conducted in accordance with that code; and
- j. conducting and acting upon annual assessments and evaluations of the Board, committees of the Board and individual directors.

5.8 *Access and Independent Advice*

Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgement in decision-making.

In particular, directors are entitled to:

- a. have access to internal and external auditors without management present, to seek explanations or additional information; and
- b. with the Chair's prior consent, seek independent professional advice, at the Company's expense.

Directors are entitled to have access to members of the Company's senior managers, via the CEO, at any time to request relevant additional information or seek explanations.

5.9 *Other*

The foregoing list of duties is not exhaustive. The Board may perform any other activities consistent with this Charter, the Company's constitution, and any other governing laws, as the Board deems necessary or appropriate.

6. SPECIFIC DUTIES OF MANAGEMENT

The CEO is appointed by the Board and is responsible for:

- a. formulating the vision for the Company;
- b. providing the board with sufficient timely information to enable the Board to perform its responsibilities;
- c. recommending policy and the strategic direction of the Company, for approval by the Board;
- d. providing management of the day to day operations of the Company in accordance with the strategies approved by the Board; and
- e. acting as the spokesperson of the Company.

It is expected that the CEO will sub-delegate a number of functions to members of the Company's senior management team.

7. MEETING PROCEDURES

All meetings of the Board are convened and conducted in accordance with the Company's constitution and the Companies Act 1993.

The Board should ensure that the notices of annual or special meetings are posted on the Company's website as soon as possible and at least 20 working days prior to the meeting.

Written minutes of each meeting are prepared, and presented for approval at the next normal meeting of the Board. In addition, a record of papers and presentation submitted to the Board is kept and made available to directors at all times.

8. BOARD CHARTER

This Charter is reviewed annually or earlier if required by the Board.